



Local Agency Formation Commission  
for the County of Los Angeles

Commission

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Chair

Richard H. Close  
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Alternates

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Lori Brogin  
Paul Krekorian  
Judith Mitchell  
Joseph Ruzicka  
Greig Smith

Staff

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**LOCAL AGENCY FORMATION COMMISSION  
MEETING AGENDA**

Wednesday, May 13, 2015  
9:00 a.m.

**Room 374A  
(Business License Commission)**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Los Angeles 90012

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A person with a disability may contact the LAFCO office at (626) 204-6500 at least 72 hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

The entire agenda package and any meeting related writings or documents provided to a majority of the Commissioners after distribution of the agenda package, unless exempt from disclosure pursuant to California Law, are available at the LAFCO office and at [www.lalafco.org](http://www.lalafco.org).

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1. **CALL MEETING TO ORDER**
2. **PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIRMAN GLADBACH**
3. **DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)**
4. **SWEARING-IN OF SPEAKER(S)**
5. **INFORMATION ITEM(S) – GOVERNMENT CODE §§ 56751 & 56857  
NOTICE**

None.

**6. CONSENT ITEM(S)**

*All matters are approved by one motion unless held by a Commissioner or member(s) of the public for discussion or separate action.*

- a. Annexation No. 744 to Los Angeles County Sanitation District No. 21 and California Environmental Quality Act exemption.
- b. Annexation No. 419 to Los Angeles County Sanitation District No. 22 and California Environmental Quality Act exemption.
- c. Approve Minutes of April 8, 2015.
- d. Operating Account Check Register for the month of April 2015.
- e. Receive and file update on pending applications.

**7. PUBLIC HEARING(S)**

- a. Annexation No. 2014-11 to Greater Los Angeles County Vector Control District (La Crescenta-Montrose) and California Environmental Quality Act exemption.
- b. Fiscal Year 2015-16 Proposed Budget.

**8. PROTEST HEARING(S)**

- a. Annexation No. 2003-08 (40-23/4-103) to Los Angeles County Waterworks District No. 40, Antelope Valley; and California Environmental Quality Act exemption.

**9. OTHER ITEMS**

- a. Community Choice Aggregation (CCA) Report
- b. Amendment to Policy Concerning Out-of-Agency Service Extension or Exemption Pursuant to Government Code Section 56133
- c. Legislative Update
- d. Commission Support of AB 851

**10. COMMISSIONERS' REPORT**

Commissioners' questions for staff, announcements of upcoming events and opportunity for Commissioners to briefly report on their LAFCO-related activities since last meeting.

**11. EXECUTIVE OFFICER'S REPORT**

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

12. **PUBLIC COMMENT**

This is the opportunity for members of the public to address the Commission on items not on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Speakers are reminded of the three-minute time limitation.

13. **FUTURE MEETINGS**

June 10, 2015

July 8, 2015

August 12, 2015

September 9, 2015

14. **FUTURE AGENDA ITEMS**

Items not on the posted agenda which, if requested, will be referred to staff or placed on a future agenda for discussion and action by the Commission.

15. **ADJOURNMENT MOTION**

**Staff Report**

**May 13, 2015**

**Agenda Item No. Number 6.a.**

**Annexation No. 744 to Los Angeles County Sanitation District No. 21**

**PROPOSAL SUMMARY:**

|                                   |  |
|-----------------------------------|--|
| Size of Affected Territory:       | .75± acres   |
| Inhabited/Uninhabited:            | Uninhabited  |
| Applicant:                        | Los Angeles County Sanitation District No. 21  |
| Resolution or Petition:           | July 23, 2014  |
| Application Filed with LAFCO:     | August 13, 2014  |
| Location:                         | The affected territory is located south of Pomello Dr. between Granda Ave. and Padua Ave.      |
| City/County:                      | City of Claremont  |
| Affected Territory:               | The affected territory is consists of one proposed single-family home. The topography is flat. |
| Surrounding Territory:            | Surrounding territory is residential.  |
| Landowner(s):                     | Cao Yingxia/Zhang Lang   |
| Registered Voters:                | 0 registered voters as of March 26, 2015   |
| Purpose/Background:               | For the District to provide off-site sewage disposal service.                                  |
| Related Jurisdictional Changes:   | There are no related jurisdictional changes.   |
| Within SOI:                       | Yes  |
| Waiver of Notice/Hearing/Protest: | Yes  |



CEQA Clearance:

The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(b) because the annexation consists of an individual small parcel of the minimum size for facilities exempted by Section 15303(a). The proposed development involves new construction of one single-family residence. The Categorical Exemption was adopted by Los Angeles County Sanitation District No. 21, as lead agency, on July 23, 2014.

Additional Information:

None

**FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:**

***a. Population:***

The existing population is 0 residents as of August 13, 2014. The population density issue does not apply because the affected territory is unpopulated.

The estimated future population is 4 residents.

The affected territory is .75+/- acres. The proposed/future land use consist of one proposed single-family home.

The assessed valuation is \$340,000 as of August 13, 2014. The per capita assessed valuation issue does not apply because the affected territory is unpopulated. On October 7, 2014, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory is flat.

There are no natural boundaries. There are no drainage basins on or near the affected territory.

The affected territory is surrounded by populated areas on all sides. The affected territory is likely to experience no growth in the next ten years. The adjacent areas are likely to experience no growth in the next ten years.

***b. Governmental Services and Controls:***

The affected territory will be developed to include one proposed single-family home which requires organized governmental services. The affected territory will require governmental services indefinitely.

The present cost and adequacy of governmental services and controls in the area are acceptable. With respect to sanitary sewage disposal, other than service provided by the District, the only alternative is private septic systems. The cost of sewage disposal by the District versus the cost by septic system is subject to multiple factors and varies widely. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

***c. Proposed Action and Alternative Actions:***

The proposed action will have no effect on adjacent areas. The proposed action will have no effect on mutual social and economic interests. The proposal has no impact on the local governmental structure of the County.

The only alternate action for sewage disposal is a private septic system. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

**d. *Conformity with Commission Policies on Urban Development and Open Space Conversion Policies:***

There are no conformance issues because the Commission has not adopted any policies relative to providing planned, orderly, efficient patterns of urban development.

There is no prime agricultural land within or adjacent to the affected territory. The proposal conforms with the objectives in Government Code Sections 56377(a) and 56377(b).

**e. *Agricultural Lands:***

There are no effects on agricultural lands, as defined. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2012 Status Report).

**f. *Boundaries:***

The boundaries of the affected territory have been clearly defined by the applicant, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

The boundaries conform to lines of assessment or ownership, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

As a special district annexation, the proposal has no impact on existing city-county boundaries, nor does it create islands or corridors of unincorporated territory.

**g. *Consistency with Regional Transportation Plan:***

The proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

**h. *Consistency with Plans:***

The proposal is consistent with the existing City's General Plan designation of Residential.

The affected territory is not within the boundaries of any Specific Plan.

Pre-zoning is not a requirement for a special district proposal.

**i. *Sphere of Influence:***

The affected territory is within the Sphere of Influence of the Los Angeles County Sanitation District No. 21.

**j. *Comments from Public Agencies:***

Staff did not receive any significant comments from public agencies or any resolutions raising objections from any affected agency.

**k. *Ability to Provide Services:***

Although the affected territory is not currently serviced by the District, the area was included in the future service area that might be served by the District. The District's Future wastewater management needs were addressed in the Joint Outfall System 2010 Master Facilities Plan.

**l. *Timely Availability of Water Supplies:***

There are no known issues regarding water supply or delivery.

**m. *Regional Housing:***

As a special district annexation, the proposal will not affect any city, nor the county, in achieving their respective fair shares of the regional housing needs as determined by the Southern California Association of Governments (SCAG).

**n. *Comments from Landowners, Voters, or Residents:***

Staff did not receive any significant comments from landowners, voters, or residents.

**o. *Land Use Designations***

The proposal is consistent with the existing City's General Plan designation of Residential.

The proposal is consistent with the existing City's zoning designation of Single-Family Residential [R-1].

**p. *Environmental Justice:***

All of the owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal promotes environmental justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:**

The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(b) because the annexation consists of an individual small parcel of the minimum size for facilities exempted by Section 15303(a). The proposed development involves new construction of one single-family residence. In addition, there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the proposal records. The Categorical Exemption was adopted by Los Angeles County Sanitation District No. 21, as lead agency, on July 23, 2014

**DETERMINATIONS WITHOUT NOTICE AND HEARING, AND WAIVER OF PROTEST PROCEEDINGS:**

Pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed annexation without notice and hearing and may waive protest hearings for the reasons set forth herein. The territory is uninhabited. To date, no affected local agency has submitted a written demand for notice and hearing during the 10-day period referenced in Government Code Section 56662(c). Furthermore, the proposal was accompanied by satisfactory proof that all the landowners within the affected territory have given their written consent to the proposed annexation. Based thereon, the Commission may make determinations on the proposed annexation without notice and hearing, and the Commission may waive protest proceedings.

**CONCLUSION:**

Staff recommends approval of the proposal as a logical and reasonable extension of Los Angeles County Sanitation District No. 21 which will be for the interest of landowners and/or present and/or future inhabitants within the district and within the annexation territory.

**Recommended Action:**

1. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 744 to Los Angeles County Sanitation District No. 21.



**RESOLUTION NO. 2015-00RMD  
RESOLUTION OF THE LOCAL AGENCY FORMATION  
COMMISSION FOR THE COUNTY OF LOS ANGELES  
MAKING DETERMINATIONS APPROVING AND ORDERING  
"ANNEXATION NO. 744 TO THE LOS ANGELES COUNTY SANITATION DISTRICT NO. 21"**

WHEREAS, the Los Angeles County Sanitation District No. 21 (District) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the District, all within the Los Angeles County unincorporated territory; and

WHEREAS, the proposed annexation consists of approximately .75± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 744 to the Los Angeles County Sanitation District No. 21"; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the principal reason for the proposed annexation is for the District to provide off-site sewage disposal to one proposed single-family home; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a written report, including his recommendations therein; and

WHEREAS, the Commission has determined that the Proposal meets all of the criteria for the Commission to make a determination without notice and hearing and waive protest proceedings entirely, pursuant to Government Code Section 56662; and

WHEREAS, the Executive Officer set the item for consideration for May 13, 2015 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 374-A, located at 500 West Temple Street, Los Angeles, California, 90012; and

WHEREAS, on May 13, 2015, this Commission considered the Proposal and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, acting in its role as a responsible agency with respect to Annexation No. 744 to the Los Angeles County Sanitation District No. 21, finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(b) because the annexation consists of an individual small parcel of the minimum size for facilities exempted by Section 15303(a). The proposed development involves new construction of one single-family residence. In addition, there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the proposal records.
2. Pursuant to Government Code Section 56662(a), the Commission hereby finds and determines that:

- a. The territory encompassed by the annexation is uninhabited; and
- b. Pursuant to Government Code Sections 56658(b)(1) and 56662(c), the Executive Officer has given the required mailed notice to each affected agency of the application to initiate proceedings for the proposed annexation, and no affected local agency has submitted a written demand for notice and hearing during the 10-day period following the notice; and
- c. The annexation was accompanied by satisfactory proof that all owners of land within the affected territory have given their written consent to the proposal.

Based thereon, pursuant to Government Code Section 56662(a), the Commission may, and hereby does, make determinations on the proposal without notice and hearing, and the Commission may, and hereby does, waive protest proceedings entirely.

3. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
4. The affected territory consists of .75± acres, is uninhabited, and is assigned the following short form designation:

"Annexation No. 744 to the Los Angeles County Sanitation District No. 21".
5. Annexation No. 744 to the Los Angeles County Sanitation District No. 21 is hereby approved, subject to the following terms and conditions:

- a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
  - b. The effective date of the annexation shall be the date of recordation.
  - c. Payment of Registrar-Recorder/County Clerk and State Board of Equalization fees.
  - d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
  - e. The regular County assessment roll shall be utilized by the District.
  - f. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
  - g. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
  - h. Except to the extent in conflict with "a" through "g", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
6. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to Los Angeles County Sanitation District No. 21.

7. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, *et seq.*

PASSED AND ADOPTED this 13<sup>th</sup> day of May 2015.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:

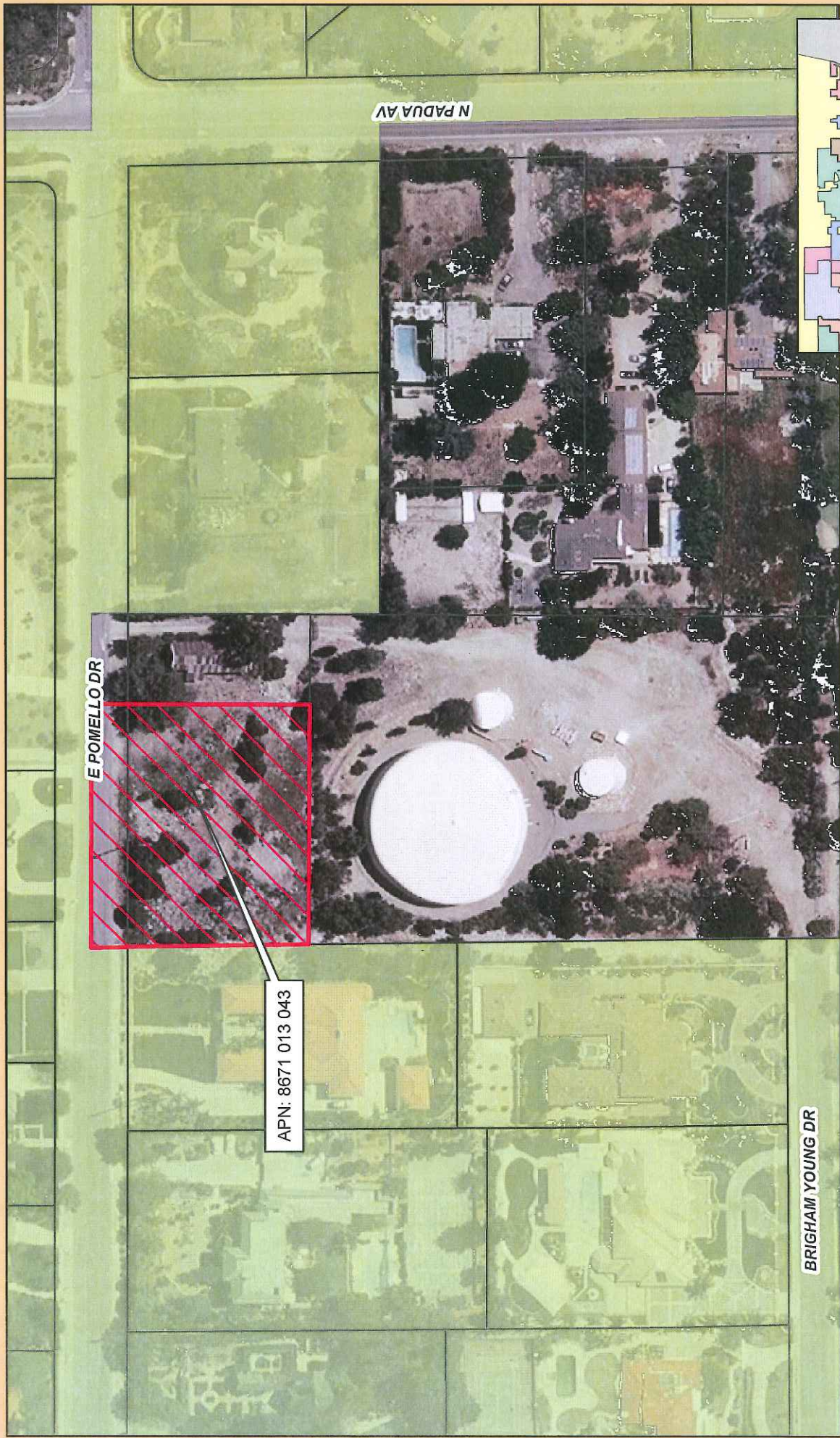
MOTION PASSES: 0/0/0

**LOCAL AGENCY FORMATION COMMISSION  
FOR THE COUNTY OF LOS ANGELES**





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**Paul A. Novak, AICP  
Executive Officer**





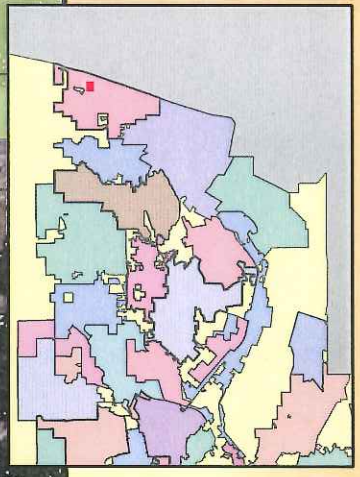
# Legend

-  CSD Annexation 21-744
-  City of Claremont
-  Los Angeles County Sanitation District No. 21
-  Sphere of Influence, CSD 21

## Annexation No. 744 to County Sanitation District No. 21



**LAFCO**  
Local Agency Formation Commission  
for the County of Los Angeles



**Staff Report**

**May 13, 2015**

**Agenda Item No. 6.b.**

**Annexation No. 419 to the Los Angeles County Sanitation District No. 22**

**PROPOSAL SUMMARY:**

|                                   |  |
|-----------------------------------|--|
| Size of Affected Territory:       | 1.8± acres   |
| Inhabited/Uninhabited:            | Uninhabited  |
| Applicant:                        | Los Angeles County Sanitation District No. 22 (District)   |
| Resolution or Petition:           | July 23, 2014  |
| Application Filed with LAFCO:     | August 13, 2014  |
| Location:                         | The affected territory is located on Ranch Road approximately 1,500 feet north of Sierra Madre Avenue.           |
| City/County:                      | City of Azusa.   |
| Affected Territory:               | The affected territory will include the development of two proposed single-family homes. The topography is flat. |
| Surrounding Territory:            | Surrounding territory is residential, agricultural, and commercial.  |
| Landowner(s):                     | Timothy & Juanita Arrieta Family Trust; Ernestine Vasquez Trust.   |
| Registered Voters:                | 0 registered voters as of March 26, 2015.  |
| Purpose/Background:               | For the District to provide off-site sewage disposal service.  |
| Related Jurisdictional Changes:   | There are no related jurisdictional changes.   |
| Within SOI:                       | Yes  |
| Waiver of Notice/Hearing/Protest: | Yes  |

CEQA Clearance:

The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(b) because the annexation consists of small parcels of the minimum size for facilities exempted by Section 15303(a). The proposed development involves new construction of two single-family homes. A Categorical Exemption was adopted by the Los Angeles County Sanitation District No. 22, as lead agency, on July 23, 2014.

Additional Information:

None



**FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:**

***a. Population:***

The existing population is 0 residents as of August 13, 2014. The population density issue does not apply because the affected territory is unpopulated.

The estimated future population is 7 residents.

The affected territory is 1.8+/- acres. The existing land use is vacant residential. The proposed/future land use is residential.

The assessed valuation is \$682,248 as of April 6, 2015. The per capita assessed valuation issue does not apply because the affected territory is unpopulated. On October 7, 2014, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory is flat.

There are no natural boundaries. There are no drainage basins on or near the affected territory.

The nearest populated areas are north, south, and west, and open space to the east of the effected territory. The affected territory is likely to experience no additional growth in the next ten years other than the habitation of the two new homes. The adjacent areas are likely to experience no growth in the next ten years.

***b. Governmental Services and Controls:***

The affected territory will include the development of two proposed single-family homes which require organized governmental services. The affected territory will require governmental services indefinitely.

The present cost and adequacy of governmental services and controls in the area are acceptable. With respect to sanitary sewage disposal, other than service provided by the District, the only alternative is private septic systems. The cost of sewage disposal by the District versus the cost by septic system is subject to multiple factors and varies widely. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on surface water bodies and groundwater.

***c. Proposed Action and Alternative Actions:***

The proposed action will have no effect on adjacent areas. The proposed action will have no effect on mutual social and economic interests. The proposal has no impact on the local governmental structure of the County.

The only alternate action for sewage disposal is a private septic system. Service by the District is considered to be more reliable than septic systems. Service by the District is environmentally superior in terms of wastewater treatment, effluent discharge, and impacts on the surface water bodies and groundwater.

**d. *Conformity with Commission Policies on Urban Development and Open Space Conversion Policies:***

There are no conformance issues because the Commission has not adopted any policies relative to providing planned, orderly, efficient patterns of urban development.

There is no prime agricultural land within or adjacent to the affected territory. The proposal conforms with the objectives in Government Code Sections 56377(a) and 56377(b).

**e. *Agricultural Lands:***

There are no effects on agricultural lands, as defined. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2012 Status Report).

**f. *Boundaries:***

The boundaries of the affected territory have been clearly defined by the applicant, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

The boundaries conform to lines of assessment or ownership, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

As a special district annexation, the proposal has no impact on existing city-county boundaries, nor does it create islands or corridors of unincorporated territory.

**g. *Consistency with Regional Transportation Plan:***

The proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

**h. *Consistency with Plans:***

The proposal is consistent with the existing City of Azusa General Plan designation of R1 (residential with one dwelling unit per lot).

The affected territory is not within the boundaries of any Specific Plan.

Pre-zoning is not a requirement for a special district proposal.



**i. *Sphere of Influence:***

The affected territory is within the Sphere of Influence of the Los Angeles County Sanitation District No. 22.

**j. *Comments from Public Agencies:***

Staff did not receive any significant comments from public agencies or any resolutions raising objections from any affected agency.

**k. *Ability to Provide Services:***

The subject territory is not currently being serviced by the District. The area was included in the future service area that might be served by the District. The District's future wastewater management needs were addressed in the Joint Outfall System 2010 Master Facilities Plan.

**l. *Timely Availability of Water Supplies:***

There are no known issues regarding water supply or delivery.

**m. *Regional Housing:***

As a special district annexation, the proposal will not affect any city, nor the county, in achieving their respective fair shares of the regional housing needs as determined by the Southern California Association of Governments (SCAG).

**n. *Comments from Landowners, Voters, or Residents:***

Staff did not receive any significant comments from landowners, voters, or residents.

**o. *Land Use Designations***

The proposal is consistent with the existing City of Azusa General Plan designation of R1 (residential with one dwelling unit per lot).

The proposal is consistent with the existing City of Azusa zoning designation of Low Density Residential.

**p. *Environmental Justice:***

All of the owners of real property within the affected territory have requested, in writing, that the District provide off-site sewage disposal service. Property-owners of adjacent areas did not request such service, and/or were contacted by Sanitation District staff and were not interested in securing such service or did not respond. The proposal promotes environmental justice, in that there is fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:**

The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15319(b) because the annexation consists of small parcels of the minimum size for facilities exempted by Section 15303(a). The proposed development involves new construction of two single-family residences. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.

**DETERMINATIONS WITHOUT NOTICE AND HEARING, AND WAIVER OF PROTEST PROCEEDINGS:**

Pursuant to Government Code Section 56662(a), the Commission may make determinations upon the proposed annexation without notice and hearing and may waive protest hearings for the reasons set forth herein. The territory is uninhabited. To date, no affected local agency has submitted a written demand for notice and hearing during the 10-day period referenced in Government Code Section 56662(c). Furthermore, the proposal was accompanied by satisfactory proof that all the landowners within the affected territory have given their written consent to the proposed annexation. Based thereon, the Commission may make determinations on the proposed annexation without notice and hearing, and the Commission may waive protest proceedings.

**CONCLUSION:**

Staff recommends approval of the proposal as a logical and reasonable extension of the Los Angeles County Sanitation District No. 22 which will be for the interest of landowners and/or present and/or future inhabitants within the district and within the annexation territory.

**Recommended Action:**

1. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 419 to Los Angeles County Sanitation District No. 22.

**RESOLUTION NO. 2015-00RMD  
RESOLUTION OF THE LOCAL AGENCY FORMATION  
COMMISSION FOR THE COUNTY OF LOS ANGELES  
MAKING DETERMINATIONS APPROVING AND ORDERING  
"ANNEXATION NO. 419 TO THE LOS ANGELES COUNTY SANITATION DISTRICT NO. 22"**

WHEREAS, the Los Angeles County Sanitation District No. 22 (District) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the District, all within the City of Azusa; and

WHEREAS, the proposed annexation consists of approximately 1.8± acres of uninhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 419 to the Los Angeles County Sanitation District No. 22"; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the principal reason for the proposed annexation is for the District to provide off-site sewage disposal service to two proposed single-family homes; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a written report, including his recommendations therein; and

WHEREAS, the Commission has determined that the Proposal meets all of the criteria for the Commission to make a determination without notice and hearing and waive protest proceedings entirely, pursuant to Government Code Section 56662; and

WHEREAS, the Executive Officer set the item for consideration for May 13, 2015 at 9:00 a.m., at the Business License Commission Hearing Room, Kenneth Hahn Hall of Administration Room 374-A, located at 500 West Temple Street, Los Angeles, California, 90012; and

WHEREAS, on May 13, 2015, this Commission considered the Proposal and the report of the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, acting in its role as a responsible agency with respect to Annexation No. 419 to the Los Angeles County Sanitation District No. 22, finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(b) because the annexation consists of individual small parcels of the minimum size for facilities exempted by Section 15303(a). The proposed development involves new construction of two single-family residences. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.
2. Pursuant to Government Code Section 56662(a), the Commission hereby finds and determines that:
  - a. The territory encompassed by the annexation is uninhabited; and
  - b. Pursuant to Government Code Sections 56658(b)(1) and 56662(c), the Executive Officer has given the required mailed notice to each affected agency of the application to initiate proceedings for the proposed annexation, and no affected

local agency has submitted a written demand for notice and hearing during the 10-day period following the notice; and

- c. The annexation was accompanied by satisfactory proof that all owners of land within the affected territory have given their written consent to the proposal.

Based thereon, pursuant to Government Code Section 56662 (a), the Commission may, and hereby does, make determinations on the proposal without notice and hearing, and the Commission may, and hereby does, waive protest proceedings entirely.

- 3. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
- 4. The affected territory consists of 1.8± acres, is uninhabited, and is assigned the following short form designation:

"Annexation No. 419 to the Los Angeles County Sanitation District No. 22".

- 5. Annexation No. 419 to the Los Angeles County Sanitation District No. 22 is hereby approved, subject to the following terms and conditions:
  - a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.



- b. The effective date of the annexation shall be the date of recordation.
  - c. Payment of Registrar-Recorder/County Clerk and State Board of Equalization fees.
  - d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
  - e. The regular County assessment roll shall be utilized by the District.
  - f. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
  - g. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
  - h. Except to the extent in conflict with "a" through "g", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
6. The Commission hereby orders the uninhabited territory described in Exhibits "A" and "B" annexed to the District.
7. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, *et seq.*

Resolution No. 2015-00RMD

Page 5

PASSED AND ADOPTED this 13<sup>th</sup> day of May 2015.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0

**LOCAL AGENCY FORMATION COMMISSION  
FOR THE COUNTY OF LOS ANGELES**





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**Paul A. Novak, AICP  
Executive Officer**

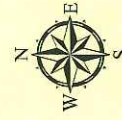




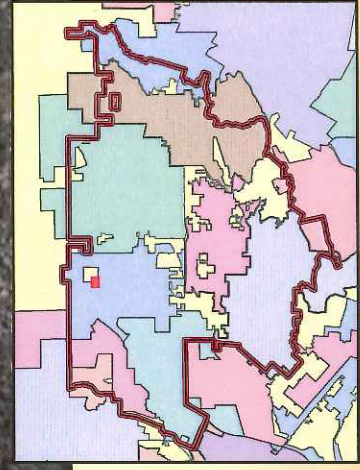
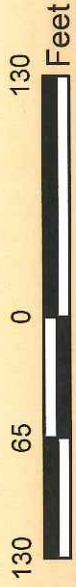
## Legend

-  CSD Annexation 22-419
-  City of Azusa
-  Los Angeles County Sanitation District No. 22
-  Sphere of Influence, CSD 22

## Annexation No. 419 to County Sanitation District No. 22



**LAFCO**  
Local Agency Formation Commission  
for the County of Los Angeles





Local Agency Formation Commission  
for the County of Los Angeles

 **DRAFT**

Commission  
Jerry Gladbach  
Chair

Richard H. Close  
Donald L. Dear  
Margaret Finlay  
Don Knabe  
Sheila Kuehl  
Tom LaBonge  
Gerard McCallum  
David Spence

Alternates  
Michael D. Antonovich  
Lori Brogin  
Paul Krekorian  
Judith Mitchell  
Joseph Ruzicka  
Greig Smith

Staff  
Paul A. Novak, AICP  
Executive Officer

June D. Savala  
Deputy  
Executive Officer

Amber De La Torre  
Doug Dorado  
Michael Henderson  
Alisha O'Brien  
Patricia Wood

80 South Lake Avenue  
Suite 870  
Pasadena, CA 91101  
Phone: 626-204-6500  
Fax: 626-204-6507  
[www.lalafco.org](http://www.lalafco.org)

## REGULAR MEETING

### MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES

April 8, 2015

#### Present:

Jerry Gladbach, Chair

Richard H. Close  
Donald L. Dear  
Margaret Finlay  
Don Knabe  
Sheila Kuehl  
Tom LaBonge  
Gerard McCallum  
David Spence

Judith Mitchell, Alternate  
Joe Ruzicka, Alternate  
Greig Smith, Alternate

Paul A. Novak, AICP; Executive Officer  
Helen Parker, Legal Counsel

#### Absent:

Michael D. Antonovich, Alternate  
Lori Brogin-Falley, Alternate  
Paul Krekorian, Alternate



1 CALL MEETING TO ORDER

The meeting was called to order at 9:00 a.m. in Room 381-B of the County Hall of Administration.

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Jerry Gladbach.

3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

The Executive Officer (E.O.) read an announcement, asking that persons who made a campaign contribution of more than \$250 to any member of the Commission during the past twelve (12) months to rise and state for the record the Commissioner to whom such campaign contributions were made and the item of their involvement (None).

4 SWEARING-IN OF SPEAKER(S)

The Executive Officer swore in members of the audience who planned to testify (None).

5 INFORMATION ITEM(S) – GOVERNMENT CODE §§ 56751 & 56857 NOTICE

(None.)

6 CONSENT ITEM(S) – OTHER

The Commission took the following actions under Consent Items:

- a. Approved Minutes of March 11, 2015.
- b. Approved Operating Account Check Register for the month of March 2015.
- c. Received and filed update on pending applications.

|                |  |
|----------------|--|
| MOTION:        | FINLAY   |
| SECOND:        | DEAR   |
| AYES:          | CLOSE, DEAR, FINLAY, KUEHL, LaBONGE, SMITH (ALT. FOR McCALLUM), SPENCE, GLADBACH |
| NOES:          | NONE   |
| ABSTAIN:       | NONE   |
| ABSENT:        | KNABE, McCALLUM  |
| MOTION PASSES: | 8/0/0  |

[Supervisor Knabe arrived at 9:03 a.m.]

## 7 PUBLIC HEARING(S)

The following item was called up for consideration:

- a. Annexation No. 2003-08 (40-23/4-103) to Los Angeles County Waterworks District No. 40, Antelope Valley.

The E.O. summarized the staff report on Annexation No. 2003-08.

The public hearing was opened to receive testimony. There being no testimony, the public hearing was closed.

The Commission took the following action:

- Adopted the Resolution Making Determinations Approving Annexation No. 2003-08 (40-23/4-103) to Los Angeles County Waterworks District No. 40, Antelope Valley; Resolution No. 2015-11RMD.
- Pursuant to Government Code Section 57002, set May 13, 2015, at 9:00 a.m., as the date and time for Commission protest proceedings.

|                |  |
|----------------|--|
| MOTION:        | FINLAY   |
| SECOND:        | KNABE  |
| AYES:          | CLOSE, DEAR, FINLAY, KNABE, KUEHL, LaBONGE,<br>SMITH (ALT. FOR McCALLUM), SPENCE, GLADBACH |
| NOES:          | NONE   |
| ABSTAIN:       | NONE   |
| ABSENT:        | McCALLUM   |
| MOTION PASSES: | 9/0/0  |

[Commissioner McCallum arrived at 9:05 a.m.]

## 8 PROTEST HEARING(S)

The following item was called up for consideration:

- a. Annexation No. 2014-02 to Greater Los Angeles County Vector Control District (City of La Cañada Flintridge).

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April 8, 2015  
Page 4

The E.O. stated that this is the Commission protest hearing pursuant to Government Code Section 57000 *et seq.*

The E.O. noted that no written protest(s) had been received in advance of the hearing.

The protest hearing was opened to receive testimony and/or written protest(s). There being no testimony or written protest(s) submitted, the protest hearing was closed.

The Commission took the following action:

- Adopted the Resolution Making Determinations Ordering Annexation No. 2014-02 to Greater Los Angeles County Vector Control District (City of La Cañada Flintridge); Resolution No. 2015-03PR.

|                |   |
|----------------|---|
| MOTION:        | KUEHL   |
| SECOND:        | SPENCE  |
| AYES:          | CLOSE, DEAR, FINLAY, KNABE, KUEHL, LaBONGE,<br>McCALLUM, SPENCE, GLADBACH |
| NOES:          | NONE  |
| ABSTAIN:       | NONE  |
| ABSENT:        | NONE  |
| MOTION PASSES: | 9/0/0   |

## 9 OTHER ITEMS

The following item was called up for consideration:

- a. Support for AB 1532 (Assembly Committee on Local Government Omnibus Bill).

The E.O. summarized the staff report on Commission support of AB 1532.

The E.O. noted that he made a presentation at last month's meeting relative to the annual process associated with the "Omnibus Bill", a legislative proposal that makes changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) that are considered beneficial and non-controversial.

The E.O. stated a copy of the draft support letter to the Assembly Local Government Committee and this year's version of the Omnibus Bill, which was introduced on March 23<sup>rd</sup>, as Assembly Bill No. 1532 (AB 1532), were included in the agenda package. AB 1532 proposes 12 separate revisions to CKH, all of which were described on page 2 and page 3 of the staff report.

The Commission took the following action:

- Authorized the Chair to send a letter to the Assembly Local Government Committee, and to the Legislature and Governor, if necessary, in support of AB 1532.

MOTION: KUEHL  
SECOND: FINLAY  
AYES: CLOSE, DEAR, FINLAY, KNABE, KUEHL, LaBONGE,  
McCALLUM, SPENCE, GLADBACH  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: NONE  
MOTION PASSES: 9/0/0

#### 10 COMMISSIONERS' REPORT

(None).

#### 11 EXECUTIVE OFFICER'S REPORT

The E.O. noted a copy of the new "What is LAFCO?" brochure, published by CALAFCO, and replaced a version that was several years old. Also, provided was a copy of a "Welcome to LAFCO" publication. Both of these documents were included in the agenda package, and will be available at all Commission meetings.

The E.O. noted that next month's meeting on May 13<sup>th</sup> will not be held in the Board of Supervisor's Hearing Room (381-B), but at the Business License Commission Hearing Room (374-A).

#### OPPOSITION TO SENATE BILL NO. 239

Commissioner Close asked the E.O. to briefly summarize and clarify Senate Bill No. 239 (SB 239), and CALAFCO's objection to the bill. The E.O. stated that SB 239 is currently in the State Legislature, introduced by Senator Robert Hertzberg, Chair of the Senate Committee on Governance and Finance. The E.O. stated that the bill is related to contractual fire protection services, and the bill states that if there was a proposed expansion or annexation involving a fire protection district, it would require written support from recognized labor unions and written support from all impacted public agencies, before an application could be filed with LAFCO. The E.O. stated that, currently none of these actions are required for a change of organization with a fire protection district. SB 239 would also require preparation of a Comprehension Fiscal Analysis report, which the current law only requires for proposed city incorporations. The proposed requirements would make these applications more cumbersome. The E.O. stated that



other agencies, such as, the League of Cities and the California Special Districts Association (CSDA) have voiced their concerns about the bill. The E.O. requested to report back to Commission at next month's meeting, and include CALAFCO's objection letter.

Supervisor Kuehl suggested that the Commission take action opposing this bill immediately, rather than at next month's Commission meeting.

Chair Gladbach asked if SB 239 would affect all LAFCOs. The E.O. stated the answer is "yes".

The E.O. stated that SB 239 is largely geared toward a city fire department, which wants to eliminate their fire department, and have another city fire department or a County fire district take over those fire services, and ensures that labor unions are included in the decision making process.

Supervisor Knabe inquired if the Commission could include its opposition to SB 239, and add this item on today's agenda.

Helen Parker, legal counsel, stated under the Brown Act, on these facts the Commission could add an item to today's meeting as a "late breaking" item, if there is a need to act which came to the Commission's attention after posting of the agenda; or have a special meeting by teleconference, which requires a 24-hour notice.

June Savala, Deputy Executive Officer, informed the E.O. that in order to get comments for the state committee meeting, the Commission would have to receive comments at today's meeting.

The E.O. stated he could prepare a letter, with Chair Gladbach's signature, to mirror CALAFCO's opposition letter.

Chair Gladbach suggested that the Commission take an action today, regarding opposition to SB 239.

The Commission took the following action:

- Added to the agenda, an item (Opposition to Senate Bill No. 239) as the item came to the Commission's attention after posting of the agenda and there is a need for immediate action.

|         |   |
|---------|---|
| MOTION: | KNABE   |
| SECOND: | DEAR  |
| AYES:   | CLOSE, DEAR, FINLAY, KNABE, KUEHL, LaBONGE,<br>McCALLUM, SPENCE, GLADBACH |
| NOES:   | NONE  |

ABSTAIN: NONE  
ABSENT: NONE  
MOTION PASSES: 9/0/0

Commissioner Close asked the E.O. to describe the reasons why Senator Robert Hertzberg introduced SB 239. The E.O. stated that he does not know the reasons, and that this matter came to LAFCO's attention late. It was originally introduced as a "spot" bill with nothing substantive within the bill. The E.O. stated that CALAFCO requested, on several occasions, for Senator Hertzberg's office to provide additional language about the bill, and did not receive any additional language until recently. The E.O. stated he has not been able to gain insights or find out the objective from Senator Hertzberg's office, nor from the California Professional Firefighters' Association, which requested the introduction of SB 239.

Commissioner Spence asked the E.O. what kind of input the League of Cities has provided. The E.O. stated he believes the League of Cities is very concerned about SB 239, but they have not yet taken an official position. The E.O. stated various agencies have considered constructing a joint coalition letter, which would involve the CSDA, the League of Cities, the California State Association of Counties, and CALAFCO.

The E.O. suggested that he could prepare a letter to mirror the opposition letter provided by CALAFCO, have the letter signed by Chair Gladbach, and mail that letter out today, to Senator Robert Hertzberg's office, with copies to other legislators or other relevant committees.

Commissioner Close asked if a city wanted to disband their fire department, and receive services from another city or the County, would SB 239 essentially give veto power to a city fire department labor union. The E.O. stated that the answer is "yes". Commissioner Close stated that it's risky to give veto power to city fire department labor union.

Supervisor Kuehl agreed that LAFCO should mail the opposition letter today. Supervisor Kuehl stated that the bill would have to go out to several other committees, and that the Commission can provide an additional opposition letter at a later date, if the Commission finds that there are unique circumstances related to Los Angeles LAFCO.

The Commission took the following action:

- Authorized the Executive Officer to prepare an opposition letter on SB 239, and authorized the Chair to sign, on the Commissioner's behalf, and mail that letter to Senator Robert Hertzberg's office today, April 8, 2015.

MOTION: KUEHL  
SECOND: CLOSE  
AYES: CLOSE, DEAR, FINLAY, KNABE, KUEHL, LaBONGE,

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McCALLUM, SPENCE, GLADBACH  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: NONE  
MOTION PASSES: 9/0/0

Commissioner Dear congratulated Commissioner Ruzicka, who finished his 9<sup>th</sup> run in the Los Angeles Marathon.

12 PUBLIC COMMENT

(None).

13 FUTURE MEETINGS

May 13, 2015 (Will be held in Room 374A)  
June 10, 2015  
July 8, 2015

14 FUTURE AGENDA ITEMS

(None).

15 ADJOURNMENT MOTION

On motion of Commissioner LaBonge, seconded by Commissioner Dear, the meeting was adjourned at 9:26 a.m.

Respectfully submitted,

Paul A. Novak, AICP  
Executive Officer

8:39 AM

05/04/15

Accrual Basis

# LAFCO 03 REGISTER REPORT April 2015

| Type                           | Date      | Num       | Name                     | Memo                              | Amount    | Balance    |
|--------------------------------|-----------|-----------|--------------------------|-----------------------------------|-----------|------------|
| <b>10000 Cash Unrestricted</b> |           |           |                          |                                   |           |            |
| <b>10003 Operating Account</b> |           |           |                          |                                   |           |            |
| Bill Pmt -Check                | 4/1/2015  | 7510      | LACERA                   | February/March Employer - A. ...  | -1,565.42 | -1,565.42  |
| Bill Pmt -Check                | 4/2/2015  | 7511      | Charter Communicati...   | Acct#8245100171576933, 04/...     | -454.79   | -2,020.21  |
| Bill Pmt -Check                | 4/2/2015  | 7512      | CTS Glendale             | LAFCO - April 2015                | -550.00   | -2,570.21  |
| Bill Pmt -Check                | 4/2/2015  | 7513      | Daily Journal            |                                   | -264.96   | -2,835.17  |
| Bill Pmt -Check                | 4/2/2015  | 7514      | Digital West Network...  | Single Domain - lalafco.org       | -10.00    | -2,845.17  |
| Bill Pmt -Check                | 4/2/2015  | 7515      | Gina Duche               | Bookkeeping: 4 Hrs                | -80.00    | -2,925.17  |
| Bill Pmt -Check                | 4/2/2015  | 7516      | Office Depot*            | Acct#32368442                     | -77.08    | -3,002.25  |
| Bill Pmt -Check                | 4/2/2015  | 7517      | Paul A. Novak            | Reimbursement: CALAFCO mtg        | -18.00    | -3,020.25  |
| Bill Pmt -Check                | 4/2/2015  | 7518      | Printing and Copy St...  | Project: Letterhead               | -206.01   | -3,226.26  |
| Bill Pmt -Check                | 4/7/2015  | 7519      | CoreLogic                | Acct#200-694038-RR657541-2...     | -28.92    | -3,255.18  |
| Bill Pmt -Check                | 4/7/2015  | 7520      | Gina Duche               | Bookkeeping: 4.25 Hrs             | -85.00    | -3,340.18  |
| Bill Pmt -Check                | 4/7/2015  | 7521      | LACERA                   | LAFCO OPEB: March 2015, C...      | -833.52   | -4,173.70  |
| Bill Pmt -Check                | 4/7/2015  | 7522      | Platinum Consulting      | LA LAFCO                          | -330.00   | -4,503.70  |
| Check                          | 4/10/2015 | 452592398 | ADP                      | Processing charges for 04/15/...  | -254.32   | -4,758.02  |
| Check                          | 4/15/2015 | DM        | Ambar De La Torre        | Salary, April 15, 2015            | -1,694.40 | -6,452.42  |
| Check                          | 4/15/2015 | DM        | Douglass Dorado          | Salary, April 15, 2015            | -2,512.11 | -8,964.53  |
| Check                          | 4/15/2015 | DM        | Michael E. Henderson     | Salary, April 15, 2015            | -1,942.79 | -10,907.32 |
| Check                          | 4/15/2015 | DM        | Patricia Knoebl-Wood     | Salary, April 15, 2015            | -1,261.43 | -12,168.75 |
| Check                          | 4/15/2015 | DM        | Paul Novak               | Salary, April 15, 2015            | -4,457.83 | -16,626.58 |
| Check                          | 4/15/2015 | DM        | Alisha O'Brien           | Salary, April 15, 2015            | -1,881.48 | -18,508.06 |
| Check                          | 4/15/2015 | DM        | June D. Savala           | Salary, April 15, 2015            | -3,665.68 | -22,173.74 |
| Check                          | 4/15/2015 | DM        | Federal Tax Deposit      | Payroll Taxes, April 15, 2015     | -4,480.08 | -26,653.82 |
| Check                          | 4/15/2015 | DM        | State Income Tax         | Payroll Taxes, April 15, 2015     | -1,177.39 | -27,831.21 |
| Bill Pmt -Check                | 4/15/2015 | 7523      | Certified Records Ma...  | Cust#00271, 04/01/15-04/30/15     | -185.82   | -28,017.03 |
| Bill Pmt -Check                | 4/15/2015 | 7524      | County Counsel           | Legal Services: February 2015     | -3,511.23 | -31,528.26 |
| Bill Pmt -Check                | 4/15/2015 | 7525      | Daily Journal            | Cust#1124120362                   | -211.76   | -31,740.02 |
| Bill Pmt -Check                | 4/15/2015 | 7526      | Gina Duche               | Bookkeeping: 5.5 Hrs              | -110.00   | -31,850.02 |
| Bill Pmt -Check                | 4/15/2015 | 7527      | Miller & Owen            | File#LA945, Special Counsel (...) | -1,970.50 | -33,820.52 |
| Bill Pmt -Check                | 4/15/2015 | 7528      | Office Depot*            |                                   | -269.45   | -34,089.97 |
| Bill Pmt -Check                | 4/15/2015 | 7529      | Ricoh Americas Corp      | 036-0027688-000                   | -1,568.36 | -35,658.33 |
| Check                          | 4/17/2015 | 453185666 | ADP                      | EZLabor Manager: April 2015       | -52.50    | -35,710.83 |
| Bill Pmt -Check                | 4/27/2015 | 7531      | ATT                      | Acct#990566760, 03/10/15-04/...   | -200.48   | -35,911.31 |
| Bill Pmt -Check                | 4/27/2015 | 7532      | Daily Journal            | Cust#1124120362                   | -30.50    | -35,941.81 |
| Bill Pmt -Check                | 4/27/2015 | 7533      | Gina Duche               | Bookkeeping: 4 Hrs                | -80.00    | -36,021.81 |
| Bill Pmt -Check                | 4/27/2015 | 7534      | Los Angeles County ...   | Annexation No: 2011-25, City ...  | -1,500.00 | -37,521.81 |
| Bill Pmt -Check                | 4/27/2015 | 7535      | MetLife*                 | Policy#211130483, J. Savala       | -345.33   | -37,867.14 |
| Bill Pmt -Check                | 4/27/2015 | 7536      | Motor Parks              | Cust#025-001 Unreserved (7) ...   | -630.00   | -38,497.14 |
| Bill Pmt -Check                | 4/27/2015 | 7537      | Neofunds                 | Acct#1290, Postge: 04/06/15       | -300.00   | -38,797.14 |
| Bill Pmt -Check                | 4/27/2015 | 7538      | Office Depot*            |                                   | -69.05    | -38,866.19 |
| Bill Pmt -Check                | 4/27/2015 | 7539      | The Sheridan Group       | Cust#006818                       | -1,945.45 | -40,811.64 |
| Bill Pmt -Check                | 4/27/2015 | 7540      | Tropical Interior Plants | Service: March 2015               | -100.00   | -40,911.64 |
| Deposit                        | 4/27/2015 |           |                          | Deposit                           | 970.00    | -39,941.64 |
| Check                          | 4/30/2015 | DM        | Ambar De La Torre        | Salary, April 30, 2015            | -1,430.34 | -41,371.98 |
| Check                          | 4/30/2015 | DM        | Douglass Dorado          | Salary, April 30, 2015            | -2,512.10 | -43,884.08 |
| Check                          | 4/30/2015 | DM        | Michael E. Henderson     | Salary, April 30, 2015            | -1,942.79 | -45,826.87 |
| Check                          | 4/30/2015 | DM        | Patricia Knoebl-Wood     | Salary, April 30, 2015            | -1,261.43 | -47,088.30 |
| Check                          | 4/30/2015 | DM        | Paul Novak               | Salary, April 30, 2015            | -4,457.83 | -51,546.13 |
| Check                          | 4/30/2015 | DM        | Alisha O'Brien           | Salary, April 30, 2015            | -1,881.48 | -53,427.61 |
| Check                          | 4/30/2015 | DM        | June D. Savala           | Salary, April 30, 2015            | -3,665.68 | -57,093.29 |
| Check                          | 4/30/2015 | DM        | Federal Tax Deposit      | Payroll Taxes, April 30, 2015     | -4,421.32 | -61,514.61 |
| Check                          | 4/30/2015 | DM        | State Income Tax         | Payroll Taxes, April 30, 2015     | -1,169.86 | -62,684.47 |
| Check                          | 4/30/2015 | 89620115  | Richard Close            | Stipend, April 1-30, 2015         | -147.83   | -62,832.30 |
| Check                          | 4/30/2015 | DM        | Donald L. Dear           | Stipend, April 1-30, 2015         | -147.83   | -62,980.13 |
| Check                          | 4/30/2015 | 89620116  | Margaret E. Finlay       | Stipend, April 1-30, 2015         | -147.83   | -63,127.96 |
| Check                          | 4/30/2015 | 89620117  | Edward G. Gladbach       | Stipend, April 1-30, 2015         | -147.83   | -63,275.79 |
| Check                          | 4/30/2015 | 89620118  | Donald L. Dear           | Stipend, April 1-30, 2015         | -147.82   | -63,423.61 |
| Check                          | 4/30/2015 | 89620119  | Sheila A Kuehl           | Stipend, April 1-30, 2015         | -136.39   | -63,560.00 |
| Check                          | 4/30/2015 | DM        | Thomas J LaBonge         | Stipend, April 1-30, 2015         | -147.83   | -63,707.83 |
| Check                          | 4/30/2015 | DM        | Gerard McCallum II       | Stipend, April 1-30, 2015         | -147.82   | -63,855.65 |
| Check                          | 4/30/2015 | 89620120  | Judith Mitchell          | Stipend, April 1-30, 2015         | -147.82   | -64,003.47 |
| Check                          | 4/30/2015 | 89620121  | Greig L. Smith           | Stipend, April 1-30, 2015         | -147.82   | -64,151.29 |
| Check                          | 4/30/2015 | DM        | David Spence             | Stipend, April 1-30, 2015         | -147.83   | -64,299.12 |
| Check                          | 4/30/2015 | DM        | Federal Tax Deposit      | Payroll Taxes, April 30, 2015     | -47.89    | -64,347.01 |
| Bill Pmt -Check                | 4/30/2015 | 7541      | 80 South Lake LLC        | NO000758-1                        | -6,940.93 | -71,287.94 |

| Type                          | Date      | Num  | Name                    | Memo                            | Amount            | Balance           |
|-------------------------------|-----------|------|-------------------------|---------------------------------|-------------------|-------------------|
| Bill Pmt -Check               | 4/30/2015 | 7542 | Bank of America*        |                                 | -716.16           | -72,004.10        |
| Bill Pmt -Check               | 4/30/2015 | 7543 | Douglass Dorado*        | Reimbursement: mileage          | -72.80            | -72,076.90        |
| Bill Pmt -Check               | 4/30/2015 | 7544 | Gina Duche              | Bookkeeping: 4 Hrs              | -80.00            | -72,156.90        |
| Bill Pmt -Check               | 4/30/2015 | 7545 | LA County Chief Ad...   | Cust#C000766, January 2015      | -226.07           | -72,382.97        |
| Bill Pmt -Check               | 4/30/2015 | 7546 | LACERA                  | Employee/Employer contributi... | -12,316.49        | -84,699.46        |
| Bill Pmt -Check               | 4/30/2015 | 7547 | Mail Finance            |                                 | -252.84           | -84,952.30        |
| Bill Pmt -Check               | 4/30/2015 | 7548 | Patricia Knoebl-Wood*   | Reimbursement: CALAFCO St...    | -749.11           | -85,701.41        |
| Bill Pmt -Check               | 4/30/2015 | 7549 | Printing and Copy St... | Project: Letterhead             | -206.01           | -85,907.42        |
| Total 10003 Operating Account |           |      |                         |                                 | -85,907.42        | -85,907.42        |
| Total 10000 Cash Unrestricted |           |      |                         |                                 | -85,907.42        | -85,907.42        |
| <b>TOTAL</b>                  |           |      |                         |                                 | <b>-85,907.42</b> | <b>-85,907.42</b> |

**AGENDA ITEM NO. 6e - May 13, 2015  
PENDING APPLICATIONS AS OF MAY 4, 2015**

|   |     | LAFCO Designation  | Applicant                        | Description  | Status   | Date Filed | Est. Date of Completion |
|---|-----|--|----------------------------------|--|--|------------|-------------------------|
| 1 | AOB | Annexation No. 2003-08(40-23/4-103) to Los Angeles County Waterworks District No. 40 | LA County Waterworks District 40 | Annex 19.69 acres. 42 existing single-family homes located at the NE corner of Ave N and 55th St W in the City of Palmdale.  | Protest Hearing May agenda   | 11/4/2003  | Unknown                 |
| 2 | AOB | Annexation 2006-12 to Los Angeles County Waterworks District No. 40                  | Land Resource Investors          | Annex 20 acres of vacant land located at the northeast corner of Avenue J and 37th Street East, City of Lancaster. Will be developed into 80 single family homes.  | Incomplete filing: property tax transfer resolution, registered voter and landowner labels.  | 5/16/2006  | Unknown                 |
| 3 | AOB | Annexation No. 2006-46 to Los Angeles County Waterworks District No. 40              | New Anaverde, LLC                | Annex 1,567 acres of vacant land located near Lake Elizabeth Road and Avenue S in the city of Palmdale. Will be developed into 313 single family home.   | Incomplete filing: CEQA, registered voter labels, landowner labels, and approved map and legal.  | 10/5/2006  | Unknown                 |
| 4 | AOB | Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40    | Behrooz Haverim/Kamyar Lashgari  | Annex 20.62 acres of vacant land located south of Avenue H between 42nd Street West and 45th Street West in the City of Lancaster. To be developed into single family homes  | Incomplete filing: property tax transfer resolution, registered voter and landowner labels.  | 12/1/2006  | Unknown                 |
| 5 | DD  | Annexation No. 2007-04 City of Industry  | City of Industry                 | Annexation of 14.8 acres to the City of Industry. The subject territory consists principally of a street right-of-way along Valley Blvd., between Morningside Drive and the City of Industry and City of Pomona boundary line. | Notice of Filing sent 6-6-07<br>Incomplete filing: property tax transfer resolution, registered voter and landowner labels, map of limiting addresses, and list of limiting addresses. | 1/4/2007   | Unknown                 |
| 6 | AOB | Annexation No. 2007-18 to Los Angeles County Waterworks District No. 40              | Michael Roach/<br>LACWD          | Annex 130.29 acres of inhabited located between Avenue K & K-8 and between 30th and 35th Streets East, in the City of Lancaster.   | Notice of Filing sent 01/16/08.<br>Incomplete filing: approved map and legal.  | 6/5/2007   | Unknown                 |
| 7 | AOB | Annexation No. 2007- 29 to Quartz Hill Water District - SOI amendment                | Kimberly Juday                   | Annex 5.08 acres of vacant land located at NEC of Avenue L-12 & 37th Street West, in the City of Lancaster. Future development of 7 single family homes  | Notice of Filing sent 05/28/08.<br>Incomplete filing: property tax transfer resolution.  | 1/4/2008   | Unknown                 |
| 8 | AOB | Annexation 2008-13 to Los Angeles County Waterworks District No. 40                  | Lancaster School Dist.           | Annex 20.47 acres of vacant land located 2 miles west of the Antelope Valley fw. And the nearest paved major streets are ave. H, And Ave. I, in the City of Lancaster. For future construction of a school.                    | Notice of Filing sent 04/22/09.<br>Incomplete filing: property tax transfer resolution, and CEQA.  | 9/22/2008  | Unknown                 |
| 9 | AOB | Annexation No. 2008-09 to Los Angeles County Waterworks District No. 37              | Watt Enterprises LTD             | Annex 272 Acres vacant land located on Escondido Canyon Road (area B) and Hubbard Road (area A) Angeles Forest Highway and Vincent Road  | Notice of Filing sent 02/24/09.<br>Incomplete filing: property tax transfer resolution and CEQA  | 12/5/2008  | Unknown                 |

|    |     | LAFCO Designation  | Applicant                    | Description  | Status  | Date Filed | Est. Date of Completion |
|----|-----|--|------------------------------|--|---|------------|-------------------------|
| 10 | AOB | Reorganization 2010-04<br>Los Angeles County Waterworks<br>District No. 29 | Malitex Partners, LLC        | Detach 88 acres of vacant land from the Las Virgenes Municipal Water District and annex same said territory to Los Angeles County Waterworks District No 29 and West Basin Municipal Water District. The project includes future construction of three homes and dedicates open space. The project site is located north of Pacific Coast Highway at the end of Murphy Way, in the unincorporated area adjacent to Malibu. | Notice of Filing sent 07-15-10. Incomplete filing: CEQA. EIR on hold 4-14-15. Applicant requested to keep this file open, pending details how to proceed with the project 04/29/15.                   | 6/9/2010   | Unknown                 |
| 11 | DD  | City of Palmdale Annexation 2010-05  | City of Palmdale             | 49.6 acres located adjacent to residential properties to the southwest, southeast, and separated by the Amargosa Creek to the north.   | Notice of Filing sent 1-3-11. Incomplete filing: property tax transfer resolution, insufficient CEQA, unclear pre-zoning ordinance, approved map and legal  | 10/25/2010 | Unknown                 |
| 12 | AOB | Reorganization 2011-16 (Tesoro del Valle)                                  | NCWD/CLWA                    | 801.53 acres regional access is provided via Interstate 5 (1-5) for north/south travelers from the east, and State Route 126 (SR-126) for travelers from the west. The existing local thoroughfare that provides access to the proposed area is Copper Hill Drive, which can be accessed directly from Tesoro del Valle Drive or Avenida Rancho Tesoro.  | Notice of Filing sent 05-31-11. Incomplete filing: property tax transfer resolution.  | 5/5/2011   | Unknown                 |
| 13 | DD  | City of Los Angeles Annexation 2011-27                                     | Forestar Group               | 685 acres of uninhabited territory located east of Browns Canyon Road and northwest of Mason Ave, in the unincorporated area just north of the City of Los Angeles.  | Notice of Filing sent 2-15-12. Incomplete filing: property tax transfer resolution, CEQA, pre-zoning ordinance, map of limiting addresses, list of limiting addresses, and approved map and legal.    | 12/8/2011  | Unknown                 |
| 14 | DD  | City of Carson Annexation 2011-25 (Rancho Dominguez)                       | City of Carson               | 1,710 acres located south of the 91 Freeway, west of the 710 Freeway, north of Del Amo Blvd., and east of Wilmington Ave.  | Notice of Filing sent 12-29-11. Incomplete filing: property tax transfer resolution, stamped NOD, map of limiting addresses, approved map and legal   | 12/27/2011 | Unknown                 |
| 15 | DD  | City of Palmdale Annexation 2011-19  | City of Palmdale             | 405 acres of uninhabited territory located between Palmdale Blvd and Ave S and 80th and 85th Street East.  | Notice of Filing sent 3-22-12. Incomplete filing: property tax transfer resolution, inadequate CEQA, maps of limiting addresses, list of limiting addresses, and approved map and legal. DUC adjacent | 3/8/2012   | Unknown                 |
| 16 | AOB | Annexation 2012-19 Walnut Valley Water District (Walnut Hills Development) | Walnut Valley Water District | 550.52 acres: Northwesterly portion of City of Walnut, Recently developed hillside surrounded by housing developments to the North and East, fronted by Amar Rd on the South and an existing closed landfill on the West.  | Notice of Filing sent 04-16-13. Incomplete filing: approved map and legal.  | 1/3/2013   | Unknown                 |

|    |     | LAFCO Designation  | Applicant                           | Description   | Status  | Date Filed | Est. Date of Completion |
|----|-----|--|-------------------------------------|---|---|------------|-------------------------|
| 17 | AOB | Annexation 2012-13<br>County Waterworks District No. 37  | LA County Waterworks<br>District 37 | The proposed annexation areas consists of residential tracts of single family homes on large lots, are bordered by other residential tracts and by vacant land.   | Notice of Filing sent 03-07-13.<br>Incomplete filing: property tax transfer resolution and approved map and legal.  | 1/31/2013  | Unknown                 |
| 18 | AOB | Annexation 2012-01<br>County Waterworks District No. 40<br>(Antelope Valley Christian Ctr)                           | LA County Waterworks<br>District 40 | Southwest corner of 30th St. East and Avenue K-8, APN 3170-008-001. Also known as the North 1/2 of the Southeast 1/4 of Section 30, Township 7 North, Range 11 West, San Bernardino Meridian.   | Notice of Filing sent 03-07-13.<br>Incomplete filing: property tax transfer resolution.   | 2/20/2013  | Unknown                 |
| 19 | AOB | Reorganization No. 2013-01 to<br>Newhall County Water District<br>(Castaic High School)                              | Newhall County Water<br>District    | Detach from Los Angeles County Waterworks District No. 36, Val Verde and annex to Newhall County Water District. Located at the northwest corner of Romero Canyon Road and Canyon Hill Road, in the unincorporated community of Castaic.  | Notice of Filing sent 06-19-13.<br>Incomplete filing: property tax transfer resolution and approved map and legal.  | 4/3/2013   | Unknown                 |
| 20 | DD  | Reorganization No. 2013-04 City of<br>Rolling Hills  | City of Rolling Hills               | The application involves approximately .54 acres of uninhabited territory. The subject territory is generally located at the intersection of Silver Spur Road and Crenshaw Blvd in the City of Rolling Hills.   | Notice of Filing sent 6-27-13<br>Incomplete filing: property tax transfer resolution, landowner and registered voter labels, map of limiting addresses, and list of limiting addresses.                               | 6/26/2013  | unknown                 |
| 21 | DD  | Annexation 2014-04 to the City of<br>Calabasas   | City of Calabasas                   | annex approximately 43.31± acres of uninhabited territory to the City of Calabasas. The affected territory is generally located along Agoura Road between Liberty Canyon Road and Malibu Hills Road, in Los Angeles County unincorporated territory adjacent to the City of Agoura Hills and Calabasas. | Notice of Filing sent 3-20-14<br>Incomplete filing: property tax transfer resolution, CEQA, pre-zoning ordinance, radius map, landowner and registered voter labels, landowner consent letter, approved map and legal | 3/18/2014  | Unknown                 |
| 22 | AOB | Reorganization No. 2014-06 to Los<br>Angeles County Waterworks<br>District No. 29, Malibu                            | NSRS Trust                          | Detach 2 acres located on Palm Canyon Lane, unincorporated territory, from Las Virgenes Municipal Water District and annex said territory to Los Angeles County Waterworks District No. 29, Malibu.   | Notice of Filing sent 06-19-14.<br>Incomplete filing: property tax transfer resolution, CEQA, and approved map and legal.   | 5/21/2014  | Unknown                 |
| 23 | AD  | Annexation 742 to District No. 21  | Sanitation Districts                | 8,380 acres. Two parcels. Parcel 1 is located on Summer Avenue approximately 100 feet south of Baseline Road; Parcel 2 is located at the southeast intersection of Towne Avenue and Baseline Road, all within the City of Claremont   | Pending   | 7/15/2014  | Unknown                 |
| 24 | AOB | Annexation 741 to District No. 21  | Sanitation Districts                | 1.8 acres located on Baseline Road approximately 200 feet west of Oxford Avenue, all within the City of Claremont.  | June Agenda   | 7/15/2014  | Unknown                 |
| 25 | AOB | Annexation No. 2014-09 to Los<br>Angeles County Waterworks<br>District No. 36, Val Verde (Los<br>Valles Development) | SFI Los Valles LLC                  | SOI Amendment and Annexation of 10± acres located north of Halsey Canyon Road and Los Valles Drive, all within unincorporated territory of Castaic  | Notice of Filing sent 10-02-14.<br>Incomplete filing: property tax transfer resolution, CEQA, and approved map and legal.   | 7/15/2014  | Unknown                 |



|    |     | LAFCO Designation  | Applicant  | Description   | Status   | Date Filed | Est. Date of Completion |
|----|-----|--|--|---|--|------------|-------------------------|
| 26 | AD  | Annexation 744 to District No. 21  | Sanitation Districts                               | 0.75 acres located on Pomello Drive approximately 300 feet west of Padua Avenue, all within the City of Claremont.  | May agenda   | 8/13/2014  | June                    |
| 27 | AOB | Annexation 419 to District No. 22  | Sanitation Districts                               | 1.8 acres located on Ranch Road approximately 1,500 feet north of Sierra Madre Avenue, all within the City of Azusa.  | May agenda   | 8/13/2014  | Unknown                 |
| 28 | AOB | Annexation No. 2014-13 to Los Angeles County Waterworks District No. 40, Antelope Valley | Lebata, Inc.                                       | 310.96 acres located near Avenue T and 126th Street East, in unincorporated County territory, near the community of Pearblossom. Install and operate a new sand and gravel mining operation.  | Notice of Filing sent 09-30-14. Incomplete filing: property tax transfer resolution, CEQA, radius labels, mailing labels of landowners and registered voters, approved map and legal.                  | 9/29/2014  | Unknown                 |
| 29 | AD  | Annexation 740 to District No. 21  | Sanitation Districts                               | 6.591 acres located on Rio Rancho Road directly north of the 60 Freeway, all within the City of Pomona.   | Pending approval of tax resolution   | 10/6/2014  | Unknown                 |
| 30 | AD  | Annexation 417 to District No. 14  | Sanitation Districts                               | 0.76 acres located on Avenue M-4 approximately 300 feet west of 55th Street West, all within unincorporated Los Angeles County.   | Pending approval of tax resolution   | 10/21/2014 | Unknown                 |
| 31 | AD  | Santa Clarita Valley Sanitation District of Los Angeles County Annexation No. 1071       | Sanitation Districts                               | 0.921 acres located on Placeritos Boulevard between Meadowview Avenue and Aden Avenue, all within the City of Santa Clarita.  | Pending approval of tax resolution   | 10/27/2014 | Unknown                 |
| 32 | AOB | Annexation No. 2014-11 to Greater Los Angeles County Vector Control District             | Greater Los Angeles County Vector Control District | Annex the entire unincorporated County territory of La Crescenta-Monroise (3.4 square miles) into Greater Los Angeles County Vector Control District.   | May agenda   | 11/4/2014  | Unknown                 |
| 33 | DD  | Reorganization No. 2014-03 to the City of Calabasas                                      | City of Calabasas                                  | 176± acres immediately north of and adjacent to the 101 freeway between the City of Calabasas and Hidden Hills.   | Notice of Filing sent 1-8-15. Incomplete filing: property tax transfer resolution, CEQA, pre-zoning ordinance, radius map, mailing labels of landowners and registered voters, approved map and legal. | 12/10/2014 | Unknown                 |
| 34 | AD  | Annexation 422 to District No. 22  | Sanitation Districts                               | 2.495± acres located on Mount Olive Drive approximately 400 feet east of Woodlyn Lane, all within the City of Bradbury.   | Pending approval of tax resolution   | 1/7/2015   | Unknown                 |
| 35 | AD  | Annexation 420 to District No. 22  | Sanitation Districts                               | 40.789 acres. The affected territory has two parcels. Parcel 1 is located on De Anza Heights Drive approximately 200 feet east of Walnut Avenue, within the City of San Dimas. Parcel 2 is located on Puddingstone Drive approximately 1,500 feet east of Walnut Avenue, within the City of La Verne. | Pending approval of tax resolution   | 2/10/2015  | Unknown                 |
| 36 | AOB | Reorganization No. 2015-08 to Greater Los Angeles County Vector Control District         | Greater Los Angeles County Vector Control District | 200.2± acres. Portion of the City of Gardena, east of Crenshaw Blvd., north of 147th St. and north of Rosecrans Blvd., west of Hobart Blvd. Detachment from Los Angeles County West Vector Control District and Annexation to Greater Los Angeles County Vector Control District.                     | Notice of Filing sent 03-24-15. Incomplete filing: property tax transfer resolution.   | 3/19/2015  | Unknown                 |

**Staff Report**

**May 13, 2015**

**Agenda Item No. 7.a.**

**Annexation No. 2014-11 to the Greater Los Angeles County Vector Control District  
(La Crescenta-Montrose)**

**PROPOSAL SUMMARY:**

|                               |  |
|-------------------------------|--|
| Size of Affected Territory:   | 3.4± square miles or 2,176± acres  |
| Inhabited/Uninhabited:        | Inhabited  |
| Applicant:                    | Greater Los Angeles County Vector Control District<br>(District)   |
| Resolution or Petition:       | September 11, 2014   |
| Application Filed with LAFCO: | November 4, 2014   |
| Location:                     | The affected territory is the entire unincorporated territory of La Crescenta-Montrose. It is generally bounded by the City of La Cañada Flintridge to the east, the City of Glendale to the northwest, south, and west, and the Angeles National Forest to the north and northeast. |
| City/County:                  | Los Angeles County unincorporated territory (La Crescenta-Montrose).   |
| Affected Territory:           | The affected territory includes numerous drainage channels. The northern area of the affected territory is situated in the San Gabriel Mountains, south of the Angeles National Forest. The topography consists of flat and steep terrain.   |
| Surrounding Territory:        | The surrounding land is residential to the south, east, and west; and mountainous terrain to the north and northeast.  |
| Landowner(s):                 | There are multiple owners of record.   |
| Registered Voters:            | 11,915 registered voters as of March 26, 2015  |

|                                   |   |
|-----------------------------------|---|
| Purpose/Background:               | The purpose of this annexation is for the District to continue to provide mosquito and vector control services to the unincorporated territory of La Crescenta-Montrose. The Commission approved Out-of-Agency Service Agreement No. 2014-07, and an amendment to the Greater Los Angeles County Vector Control District's Sphere of Influence boundary, on August 13, 2014; that determination enabled the District to provide services outside its jurisdictional boundary, in anticipation of the District filing an application for annexation at a later date. Since that determination, the District has been providing mosquito and vector control services to La Crescenta-Montrose pursuant to an existing service contract with the County. The District and the County will terminate the service contract (or let it expire) upon the completion of Annexation No. 2014-11. |
| Related Jurisdictional Changes:   | There are no related jurisdictional changes.  |
| Within SOI:                       | Yes   |
| Waiver of Notice/Hearing/Protest: | No  |
| CEQA Clearance:                   | The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15320 for changes in the organization of local agencies. Section 15320 exempts changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. A Categorical Exemption was adopted by the Greater Los Angeles County Vector Control District, as lead agency, on May 30, 2014.  |
| Additional Information:           | None  |

**FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:**

***a. Population:***

The existing population is 19,824 residents as of April 2014. The population density is 9 persons per acre.

There is no proposed development associated with this annexation.

The affected territory is 2,176+/- acres. The proposal will not have any impact on the existing land use within the affected territory. There is no proposed/future land use change within the affected territory.

The assessed valuation is \$495,086,127,542 for FY 2014-15. The per capita assessed valuation is \$227,521,198. On March 31, 2015, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory consists of flat and steep terrain.

The affected territory is bounded by the Angeles National Forest to the north and northeast. There are various drainage channels located throughout the unincorporated territory of La Crescenta-Montrose.

The affected territory is surrounded by populated areas to the south, east, and west. The affected territory is likely to experience modest growth in the next ten years. The adjacent areas are likely to experience modest growth in the next ten years.

***b. Governmental Services and Controls:***

The affected territory is the entire unincorporated territory of La Crescenta-Montrose. The affected territory will require governmental services indefinitely.

The present cost and adequacy of government services and controls in the area are acceptable. The probable effect of the proposed action and of alternative courses of action on the cost and adequacy of services and controls in the affected territory and adjacent areas is for the entire unincorporated territory of La Crescenta-Montrose not to receive mosquito and vector control services, which may increase the risk of vector-borne disease transmission and could impact property values and quality of life.

***c. Proposed Action and Alternative Actions:***

The annexation of the entire unincorporated territory of La Crescenta-Montrose into the Greater Los Angeles County Vector Control District will not impact the surrounding areas. There is no effect of the proposed action on mutual social and economic interests. As a special district annexation, the proposal has no impact on the local governmental structure of the County.

**d. *Conformity with Commission Policies on Urban Development and Open Space Conversion Policies:***

There are no conformance issues because the Commission has not adopted any policies relative to providing planned, orderly, efficient patterns of urban development.

There is no prime agricultural land within or adjacent to the affected territory. The proposal conforms with the objectives in Government Code Sections 56377(a) and 56377(b).

**e. *Agricultural Lands:***

There are no effects on agricultural lands, as defined. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2012 Status Report).

**f. *Boundaries:***

The boundaries of the affected territory have been clearly defined by the applicant, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

The boundaries conform to lines of assessment or ownership, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

As a special district annexation, the proposal has no impact on existing city-county boundaries, nor does it create islands or corridors of unincorporated territory.

**g. *Consistency with Regional Transportation Plan:***

The proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

**h. *Consistency with Plans:***

The proposal would not have any impact on the existing County General Plan and any specific plan(s) for properties within the affected territory. The provision of vector control services has no direct nor indirect impacts on the land uses within the unincorporated territory of La Crescenta-Montrose. In this regard, the proposal is consistent with the County General Plan and any specific plan(s) designations for the affected territory.

Pre-zoning is not a requirement for a special district proposal.

**i. *Sphere of Influence:***

The affected territory is within the Sphere of Influence of the Greater Los Angeles County Vector Control District.

**j. *Comments from Public Agencies:***

Staff did not receive any significant comments from public agencies or any resolutions raising objections from any affected agency.

**k. *Ability to Provide Services:***

The District historically and currently provides services to the affected territory by contract, and will continue to provide services after the affected territory is annexed. Out-of-Agency Service Agreement No. 2014-07 was approved by the Commission on August 13, 2014.

**l. *Timely Availability of Water Supplies:***

There are no known issues regarding water supply or delivery.

**m. *Regional Housing:***

As a special district annexation, the proposal will not affect any city, nor the county, in achieving their respective fair shares of the regional housing needs as determined by the Southern California Association of Governments (SCAG).

**n. *Comments from Landowners, Voters, or Residents:***

The required 21-day public hearing notice was published on April 2, 2015 in the Crescenta Valley Weekly, a local newspaper serving the unincorporated territory of La Crescenta-Montrose and surrounding communities.

Staff did not receive any significant comments from landowners, voters, or residents.

**o. *Land Use Designations***

The proposal would not have any impact on the existing County General Plan and zoning designations for properties within the affected territory. The provision of vector control services has no direct nor indirect impacts on the land uses within the unincorporated territory of La Crescenta-Montrose. In this regard, the proposal is consistent with the County General Plan and zoning designations for the affected territory.

**p. *Environmental Justice:***

The proposal will have no adverse effect with respect to the fair treatment of people of all races and incomes, or the location of public facilities or services.

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:**

The proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines Section 15320 for changes in the organization of local agencies. Section 15320 exempts changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised.

In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.

**CONCLUSION:**

Staff recommends approval of the proposal as a logical and reasonable extension of the Greater Los Angeles County Vector Control District which will be for the interest of landowners and/or present and/or future inhabitants within the District and within the annexation territory.

**Recommended Action:**

1. Open the public hearing and receive testimony on the annexation;
2. There being no further testimony, close the public hearing;
3. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving Annexation No. 2014-11 to the Greater Los Angeles County Vector Control District (La Crescenta-Montrose); and
4. Pursuant to Government Code Section 57002, set July 8, 2015, at 9:00 a.m., as the date and time for Commission protest proceedings.

**RESOLUTION NO. 2015-00RMD  
RESOLUTION OF THE LOCAL AGENCY FORMATION  
COMMISSION FOR THE COUNTY OF LOS ANGELES  
MAKING DETERMINATIONS APPROVING "ANNEXATION NO. 2014-11 TO THE GREATER LOS  
ANGELES COUNTY VECTOR CONTROL DISTRICT (LA CRESCENTA-MONTROSE)"**

WHEREAS, the Greater Los Angeles County Vector Control District (District) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the District, all within the unincorporated territory of La Crescenta-Montrose; and

WHEREAS, the proposed annexation consists of approximately 2,176± acres of inhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 2014-11 to the Greater Los Angeles County Vector Control District"; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the principal reason for the proposed annexation is for District to provide mosquito and vector control services to the entire unincorporated territory of La Crescenta-Montrose; and

WHEREAS, the Executive Officer has reviewed the proposal and submitted to the Commission a written report, including his recommendations therein; and

WHEREAS, the Executive Officer has given notice of the public hearing pursuant to Government Code Sections 56150-56160, 57025, and 57026, wherein the public hearing notice



was published in the Crescenta Valley Weekly, a newspaper of general circulation in the affected territory, displayed as a one-eighth page advertisement, on April 2, 2015, which is at least 21 days prior to the public hearing; and

WHEREAS, the Executive Officer set the item for consideration for May 13, 2015 at 9:00 a.m., at the Business License Commission Room, Kenneth Hahn Hall of Administration Room 374-A, located at 500 West Temple Street, Los Angeles, California, 90012; and

WHEREAS, on May 13, 2015, after being duly and properly noticed, this proposal came on for hearing, at which time this Commission heard and received all oral and written testimony, objections, and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, pursuant to Government Code Section 57002, the Commission set the protest hearing for July 8, 2015 at 9:00 a.m., at the Los Angeles County Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration Room 381-B, located at 500 West Temple Street, Los Angeles, California, 90012.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission, acting in its role a responsible agency with respect to Annexation No. 2014-11 to the Greater Los Angeles County Vector Control District (La Crescenta-Montrose), finds that this annexation is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15320 for changes in the organization of local agencies. Section 15320 exempts changes

in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. In addition, there are no cumulative impacts, unusual circumstances, nor other limiting factors that would make the exemption inapplicable based on the proposal records.

2. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
3. The affected territory consists of 2,176± acres, is inhabited, and is assigned the following short form designation: "Annexation No. 2014-11 to the Greater Los Angeles County Vector Control District".
4. Annexation No. 2014-11 to the Greater Los Angeles County Vector Control District is hereby approved, subject to the following terms and conditions:
  - a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
  - b. The effective date of the annexation shall be the date of recordation.
  - c. Payment of Registrar-Recorder/County Clerk and State Board of Equalization fees.
  - d. The territory so annexed shall be subject to the payment of such service charges,

assessments or taxes as may be legally imposed by the District.

- e. The regular County assessment roll shall be utilized by the District.
  - f. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
  - g. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
  - h. Except to the extent in conflict with "a" through "g", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
5. Pursuant to Government Code Section 57002, the Commission hereby sets the protest hearing for July 8, 2015 at 9:00 a.m. and directs the Executive Officer to give notice thereof pursuant to Government Code Sections 57025 and 57026.
6. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Government Code Section 56882.

Resolution No. 2015-00RMD

Page 5

PASSED AND ADOPTED this 13<sup>th</sup> day of May 2015.

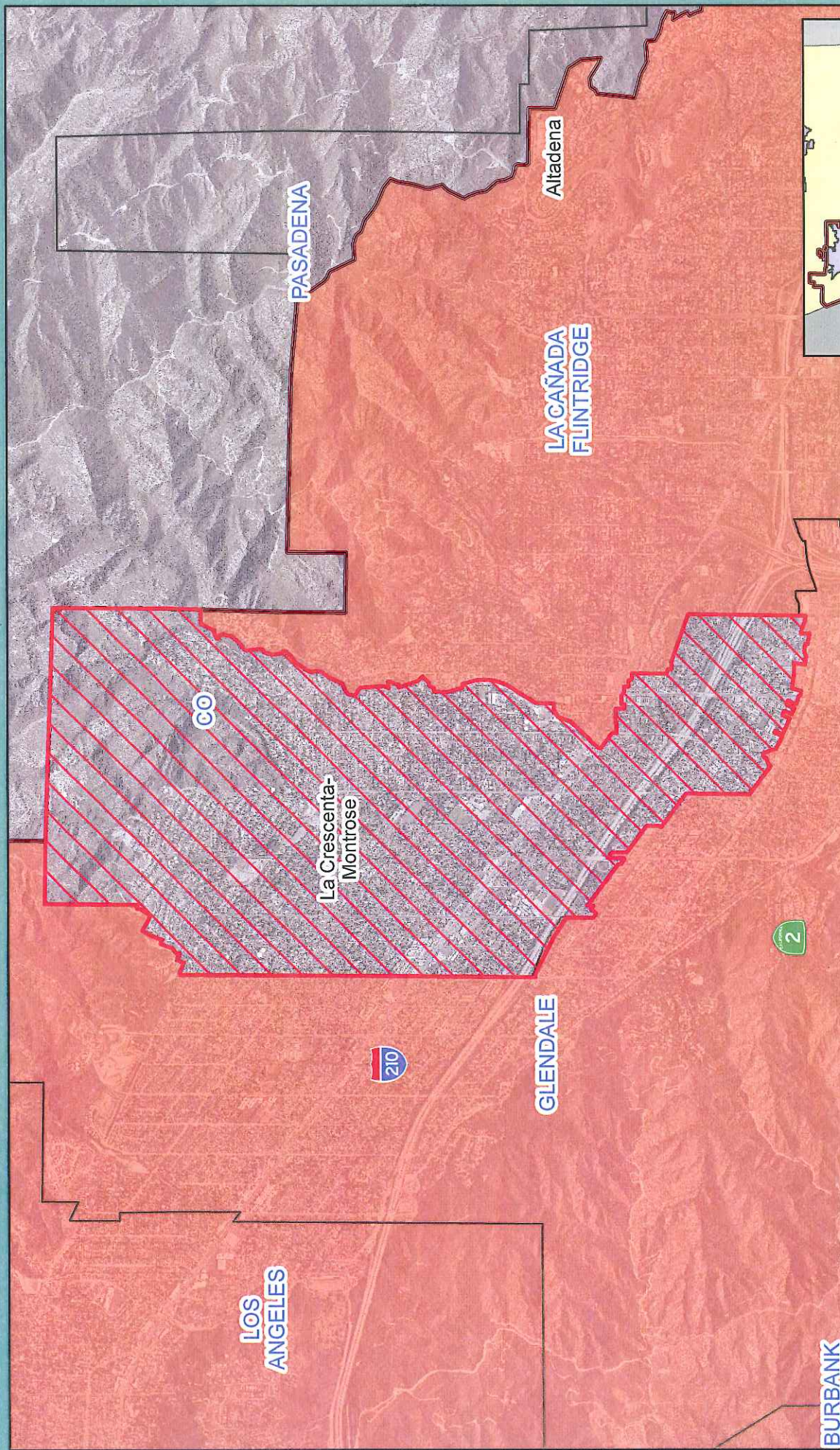
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MOTION PASSES:

**LOCAL AGENCY FORMATION COMMISSION  
FOR THE COUNTY OF LOS ANGELES**

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**Paul A. Novak, AICP  
Executive Officer**





# **Annexation No. 2014-11 to the Greater Los Angeles County Vector Control District (La Crescenta-Montrose)**

## **Legend**

-  Annexation No. 2014-11
-  City of La Cañada Flintridge
-  Greater LA County VCD
-  Greater LA County VCD SOI

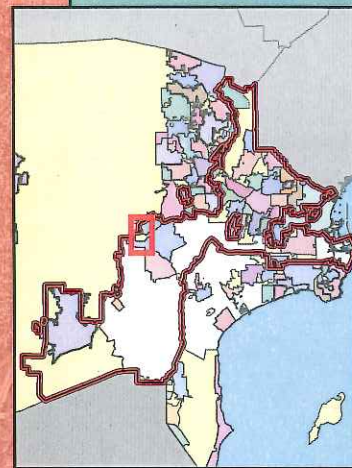


**LAFCO**  
Local Agency Formation Commission  
for the County of Los Angeles



May 13, 2015

C:\GIS\MXDs\Annexations\GLAVCD 2014-11





## **Staff Report**

**May 13, 2015**

### **Agenda Item No. 7.b.**

#### **Fiscal Year 2015-16 Proposed Budget**

##### **Background**

Government Code Section 56381, requires the Commission to adopt proposed and final budgets and distribute them for review and comment to the County, and each city and independent special district in Los Angeles County. Upon approval of the proposed budget, a final budget will be noticed for public hearing and considered by the Commission on June 10, 2015.

State law requires that at a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year.

##### **Proposed Budget**

The proposed budget for the 2015-16 fiscal year is \$1,371,000. This amount is a 7.4% increase over the prior year. The proposed Budget anticipates receipt of \$82,500 in revenue from fees and interest earnings, and \$1,288,500 from local agency apportionments. Funding agencies will see an overall 10.9% increase in apportionments. This increase is necessary to address the shortfall in other revenues (fund balance carryover and investment pool transfers), and to meet the ever increasing liability for other post-employment benefits (OPEB).

##### **Sources of funding**

###### **Fee Revenue**

Revenue from fees is one of two major sources of funding that the Commission relies upon to fund operating expenses, the other being local agency apportionments. While the Commission has not adjusted filing fees in over nine years, revenue generated from fees has met or exceeded projections. A conservative estimate for FY 2015-16 is \$75,000.

###### **Local Agency Apportionments**

Total local agency apportionments will increase by \$126,669 (10.9%) over FY 2014-15 apportionments. The total amount billable to funding agencies is \$1,288,500. As stated above, this increase is primarily attributed to a shortfall in other sources of funding.

Fund Balance Carryover

Fund balance carryover funds fluctuates year-to-year, based on the difference between adopted fiscal year expenditures and revenues and actual end-year totals. Taking into consideration current year-end projections, expenditures will exceed revenues by an estimated \$16,704.

**Budget Categories**

**Expenses: 50000 Series**

50001/50014 - Salaries

The recommended budget for this account will sustain the current level of staffing of six full-time positions and one three-quarter time position. The account also take into consideration an estimated 1.5% COLA for five of the seven positions, as authorized in the employment contracts (the COLA provision does not apply to employees hired after 2011). The actual COLA increase is not known at this time. However, it will be based on the reporting of the index for the L.A./Riverside/Orange area on June 30, 2015.

50015 - Retirement

Employer costs for retirement are based on rates recommended by an independent consulting actuary and adopted by the Board of Investments and the Los Angeles County Board of Supervisors. As determined by LACERA, the Commission contributes 19.74% of employees' covered salary for Plan D members, 20.95% for Plan E members, and 19.53% for Plan G members. While regular rate increases have occurred over the past three fiscal years the rate of increase has varied. The budgeted line items anticipates a 6.6% increase, which is similar with previous increases.

50016 - Accrued vacation/sick cash-out

In January and July of each year employees can elect to convert a maximum of three days sick and up to 50% of the allotted vacation accruals to pay (this provision does not apply to employees hired after 2011). For FY 2014-15 a total of 12 sick days and 18 vacation days were converted to pay.

50017 - Stipends

The FY 2015-16 budgeted amount will remain static with FY 2014-15 budget at \$27,000. This amount allocates \$24,750 to cover the attendance at the monthly LAFCO meetings. An additional \$2,250 is included for participation at a LAFCO-related meeting, as authorized in the Rules of the Commission.

50018 - Worker's Compensation

Final program costs for the 2014-15 program year totaled \$18,825. The 2015-16 annual contribution is estimated at \$19,307.

50019 - Group Health and Dental Insurance

This account allocates 100% subsidy for 7 employees and eligible family members enrolled in the County sponsored medical and dental plans (as required by existing employment contracts). For employees hired after 2011, only the employee is covered.

50022 - Other Postemployment Benefits (OPEB): Existing Retirees

LAFCO subsidizes 40% of the cost for postemployment health care for the two existing retirees. OPEB costs are paid on a pay-as-you go system. For the two retirees end of fiscal year costs are estimated at \$10,800. The estimated annual required contribution to fund OPEB during FY 2015-16 is \$11,300.

**Office Expense – 50000A Series**

50025 - Rent

The current office lease provides for an automatic 3% increase each year. The next scheduled increase will take effect on December 1, 2015. Rent will increase from \$6,894 to \$7,101 per month, plus the proportionate share of operating costs.

50026 - Communications

This account is utilized for local and long distance telephone and internet services provided by Charter Communication; AT&T is the current cellular service provider.

50027 - Supplies

LAFCO utilizes a government contract with Office Depot to procure general office supplies. The proposed budget is unchanged from the current fiscal year.

50029 - Equipment Maintenance and Supplies

This account is utilized systems maintenance and supplies.



50030 - Equipment Rental/Lease

LAFCO leases a color copier from Ricoh Corp., at a monthly rate of \$1,567, plus per copy charges of \$0.01 for black and white and \$0.075 for color copies. This account is also utilized to cover lease payments for the postage metering system.

50031 - Employee/Other Parking Fees

This account is utilized to pay for employee parking, at a monthly rate of \$90 per space for 7 employees. The account is also utilized to purchase parking validations to subsidize parking costs for visitors conducting business at the LAFCO office.

50032 - Other Insurance

This account is for property liability, general liability, and public officials and employees errors and omissions insurance, purchased through Special District Risk Management Authority, a joint powers authority. MetLife insurance policies for the Executive Officer and Deputy Executive Officer are also funded through this account.

50033 - Agency Membership Dues

This account is for membership in professional associations - CALAFCO, the California Special District Association and the American Planning Association.

50040 - Information Technology/Programming

This accounts covers maintenance, repair and technical support provided by a contracted vendor.

50052 - Legal Notices

The account covers legal advertising costs. The budgeted amount is one-third less than the current fiscal year.

50053 - Publications

This account covers the yearly costs for publications utilized by staff and/or the Commission. A typical publication would be the yearly updates to Cortese-Knox-Hertzberg Act and LAFCO-related pamphlets.

50054 - Postage

The account covers all US Postal Service, FedEx and UPS mailing and shipping costs.

50055 - Audio-Visual Service

The Los Angeles County Department of Internal Services provides audio setup at commission meetings, at a rate is \$204 per hour, with a minimum of two hours per meeting.

50056 - Printing Account

This account is for reproduction services by outside contractors, such as letterhead, business cards, etc.

50057 - Conferences/Travel, Commissioners

This account reimburses travel expenses and mileage for Commissioners attending LAFCO-related conferences; and for those members, acting in an official capacity, on the governing boards of the California Association of LAFCOs and/or the California Coalition of LAFCOs. This year's conference was held in Ontario, resulting in a savings over prior year conferences.

50058 - Conferences/Travel, Staff

The budgeted amount has been increased to accommodate staff's attendance at the 2015 CALAFCO Annual conference, to be held in Sacramento, CA. This account is also utilized to reimburse staff for miles driven in the course of conducting LAFCO-related business (Executive Officer and Deputy Executive Officer excluded).

50060 - Auto Reimbursement

The Executive Officer and Deputy Executive Officer positions are allocated \$6700 yearly for each position for auto reimbursement.

50061 - Various Vendors

LAFCO contracts with various local vendors to provide recurring specialized services.

50065 - Miscellaneous

This account is utilized for procurements and services not otherwise categorized within the budget.

50067 - Computer and Miscellaneous equipment

This account is utilized to upgrade equipment that has reached its useful life expectancy.

### **Professional Services - 50000C Series**

#### **50076 - Legal Services**

This account is utilized for legal services provided by Los Angeles County Counsel's office. Billable costs also include registration fees and travel expenses for attendance at LAFCO-related workshops and conferences.

This account is also utilized for legal services provided by special counsel for either litigation or when a conflict of interest waiver is not granted.

#### **50077 - Accounting & Bookkeeping**

This account is designated for payment of payroll processing services by ADP; contracted bookkeeping and CPA services; and the annual audit. The current auditor White Nelson Diehl Evans LLP is in the last year of a four-year contract. The final audit will cover FY 2014-15.

#### **50078 - Contract Services**

This account covers specialized contracted services such as offsite records management, and archival file scanning services.

#### **50081 - Municipal Service Reviews**

This is an ongoing allocation established for projects that may require the services of an outside consultant.

### **Contingencies and Reserves**

#### **20020 - OPEB Liability Reserves**

As of July 1, 2013, the most recent actuarial valuation date, the accrued liability for benefits was \$711,231. For the each of the last two fiscal years a \$50,000 appropriation has been budgeted to partially offset OPEB liability. For FY 2015-16 the budgeted allocation has been increased by \$50,000 to \$100,000, in an effort to reduce the totality of the existing liability.

**Revenue – 40000 Series**

**40001-40004 – Local Agency Apportionment**

The net cost of the Commission's operating expenses will be apportioned to local agencies – Los Angeles County, City of Los Angeles, the other 87 cities, and independent special districts within the County. Net costs will be the equivalent of total appropriations less expected revenues.

**40005 - Filing Fees**

Fee revenue is generated from incoming project applications. A conservative estimate for the upcoming fiscal year is \$75,000.

**40007 - Interest**

Interest from pooled investments is projected at \$7,500.

**40012 - Fund Balance Carryover**

Budget projections assume a \$16,704 deficit for FY 2014-15.

**40013 - Investment Pool Transfer In**

End-of-year projections assume there will no remaining funds to partially offset the FY 2015-16 Budget.

**Recommended action:**

1. Open the budget hearing; after receiving public comments, close the budget hearing.
2. Approve the attached Proposed Budget for Fiscal Year 2015-16.
3. Pursuant to Government Code Section 56381, direct staff to forward the Proposed Budget to the County of Los Angeles, and the 88 cities and 54 independent special districts in Los Angeles County for their comments.
4. Set June 10, 2015 for hearing on adoption of the Final Budget for Fiscal Year 2015-16.

| FISCAL YEAR 2015-16 PROPOSED BUDGET |   |                            |                                   |                                  |                               |            |            |             |  |
|-------------------------------------|---|----------------------------|-----------------------------------|----------------------------------|-------------------------------|------------|------------|-------------|--|
| ACCT.                               | ACCOUNT NAME                                  | FINAL<br>BUDGET<br>2014-15 | 3RD QUARTER<br>ACTUALS<br>2014-15 | PROJECTED<br>YEAR-END<br>2014-15 | BUDGET<br>FORECAST<br>2015-16 | % Variance | % Variance | \$ Variance |  |
| <b>EXPENSES</b>                     |   |                            |                                   |                                  |                               |            |            |             |  |
| 5000                                | Salaries and Employee Benefits                |                            |                                   |                                  |                               |            |            |             |  |
| 50001-14                            | Employee Salaries                             | \$ 558,782                 | \$ 420,933                        | \$ 562,100                       | \$ 570,500                    |            | 2.1%       | 11,718      |  |
| 50015                               | Retirement                                    | \$ 124,332                 | \$ 88,080                         | \$ 115,100                       | \$ 132,500                    |            | 6.6%       | 8,168       |  |
| 50016                               | Accrued vacation and sick cashout             | \$ 17,000                  | \$ 16,256                         | \$ 16,300                        | \$ 17,000                     |            | 0.0%       | -           |  |
| 50017                               | Stipends                                      | \$ 27,000                  | \$ 16,500                         | \$ 27,000                        | \$ 27,000                     |            | 0.0%       | -           |  |
| 50018                               | Worker's Compensation Insurance               | \$ 15,971                  | \$ 11,184                         | \$ 18,800                        | \$ 19,300                     |            | 20.8%      | 3,329       |  |
| 50019                               | Health Insurance                              | \$ 115,500                 | \$ 81,036                         | \$ 109,300                       | \$ 114,800                    |            | -0.6%      | (700)       |  |
| 50020                               | Payroll Taxes                                 | \$ 9,000                   | \$ 6,719                          | \$ 8,900                         | \$ 9,100                      |            | 1.1%       | 100         |  |
| 50022                               | OPEB - Existing Retirees                      | \$ 10,080                  | \$ 7,502                          | \$ 10,800                        | \$ 11,300                     |            | 12.1%      | 1,220       |  |
|                                     | <b>Total Salaries &amp; Employee Benefits</b> | \$ 877,665                 | \$ 648,210                        | \$ 868,300                       | \$ 901,600                    |            | 2.7%       | 23,935      |  |
| 50000A                              | Office Expense                                |                            |                                   |                                  |                               |            |            |             |  |
| 50025                               | Rent  | \$ 70,000                  | \$ 54,288                         | \$ 82,000                        | \$ 86,200                     |            | 23.1%      | 16,200      |  |
| 50026                               | Communications                                | \$ 8,500                   | \$ 7,491                          | \$ 9,300                         | \$ 10,000                     |            | 17.6%      | 1,500       |  |
| 50027                               | Supplies                                      | \$ 7,500                   | \$ 5,698                          | \$ 7,500                         | \$ 7,500                      |            | 0.0%       | -           |  |
| 50029                               | Equipment Maintenance and Supplies            | \$ 6,500                   | \$ 4,035                          | \$ 6,500                         | \$ 6,500                      |            | 0.0%       | -           |  |
| 50030                               | Equipment lease                               | \$ 25,000                  | \$ 17,039                         | \$ 25,000                        | \$ 25,000                     |            | 0.0%       | -           |  |
| 50031                               | Employee / Other Parking Fees                 | \$ 8,000                   | \$ 6,590                          | \$ 8,500                         | \$ 8,800                      |            | 10.0%      | 800         |  |
| 50032                               | Other Insurance                               | \$ 45,000                  | \$ 40,410                         | \$ 50,400                        | \$ 52,900                     |            | 17.6%      | 7,900       |  |
| 50033                               | Agency Membership Dues                        | \$ 7,550                   | \$ 9,383                          | \$ 9,400                         | \$ 9,600                      |            | 27.2%      | 2,050       |  |
| 50040                               | Information Technology/Programming            | \$ 7,100                   | \$ 5,306                          | \$ 7,000                         | \$ 7,100                      |            | 0.0%       | -           |  |
| 50052                               | Legal Notices                                 | \$ 3,000                   | \$ 1,194                          | \$ 2,000                         | \$ 2,000                      |            | -33.3%     | (1,000)     |  |
| 50053                               | Publications                                  | \$ 100                     | \$ 123                            | \$ 123                           | \$ 100                        |            | 0.0%       | -           |  |
| 50054                               | Postage                                       | \$ 3,500                   | \$ 2,586                          | \$ 3,800                         | \$ 4,000                      |            | 14.3%      | 500         |  |
| 50055                               | Audio/Visual Services                         | \$ 3,200                   | \$ 1,356                          | \$ 2,700                         | \$ 2,700                      |            | -15.6%     | (500)       |  |
| 50056                               | Printing                                      | \$ 1,200                   | \$ 1,353                          | \$ 1,500                         | \$ 1,500                      |            | 25.0%      | 300         |  |
| 50057                               | Conferences/Travel - Commissioners            | \$ 15,000                  | \$ 6,522                          | \$ 7,200                         | \$ 15,000                     |            | 0.0%       | -           |  |
| 50058                               | Conference/Travel - Staff                     | \$ 13,500                  | \$ 6,805                          | \$ 13,500                        | \$ 15,000                     |            | 11.1%      | 1,500       |  |
| 50060                               | Auto - Reimbursement                          | \$ 12,480                  | \$ 10,062                         | \$ 13,400                        | \$ 13,400                     |            | 7.4%       | 920         |  |
| 50061                               | Various Vendors                               | \$ 5,000                   | \$ 4,631                          | \$ 5,900                         | \$ 6,300                      |            | 26.0%      | 1,300       |  |
| 50065                               | Miscellaneous - Other                         | \$ 4,000                   | \$ 3,636                          | \$ 4,800                         | \$ 4,800                      |            | 20.0%      | 800         |  |
| 50067                               | Computer-Copier-Misc Equipment                | \$ 3,000                   | \$ 1,481                          | \$ 3,000                         | \$ 3,000                      |            | 0.0%       | -           |  |
|                                     | <b>Total Miscellaneous Expense</b>            | \$ 249,130                 | \$ 189,989                        | \$ 263,500                       | \$ 281,400                    |            | 13.0%      | 32,270      |  |
| 50000C                              | Professional Services                         |                            |                                   |                                  |                               |            |            |             |  |
| 50076                               | Legal services                                | \$ 45,000                  | \$ 41,483                         | \$ 55,300                        | \$ 55,000                     |            | 22.2%      | 10,000      |  |
| 50077                               | Accounting & Bookkeeping                      | \$ 22,000                  | \$ 16,195                         | \$ 23,000                        | \$ 25,000                     |            | 13.6%      | 3,000       |  |
| 50078                               | Contract Services                             | \$ 3,000                   | \$ 2,187                          | \$ 3,000                         | \$ 3,000                      |            | 0.0%       | -           |  |
| 50080                               | Special Studies Consultants                   | \$ -                       | \$ -                              | \$ -                             | \$ -                          |            | 0.0%       | -           |  |
| 50081                               | Municipal Service Reviews                     | \$ 5,000                   | \$ -                              | \$ 5,000                         | \$ 5,000                      |            | 0.0%       | -           |  |
|                                     | <b>Total Professional Services</b>            | \$ 75,000                  | \$ 59,865                         | \$ 86,300                        | \$ 88,000                     |            | 17.3%      | 13,000      |  |
|                                     | <b>TOTAL EXPENDITURES</b>                     | \$ 1,201,795               | \$ 898,064                        | \$ 1,211,600                     | \$ 1,271,000                  |            | 5.8%       | 69,205      |  |

| FISCAL YEAR 2015-16 PROPOSED BUDGET |   |                      |                             |                            |                         |            |            |             |  |
|-------------------------------------|---|----------------------|-----------------------------|----------------------------|-------------------------|------------|------------|-------------|--|
| ACCT. NO.                           | ACCOUNT NAME                            | FINAL BUDGET 2014-15 | 3RD QUARTER ACTUALS 2014-15 | PROJECTED YEAR-END 2014-15 | BUDGET FORECAST 2015-16 | % Variance | % Variance | \$ Variance |  |
| CONTINGENCY AND RESERVES            |   |                      |                             |                            |                         |            |            |             |  |
| 50137                               | Contingency                             | \$ 25,036            | \$ -                        | \$ 25,036                  | \$ -                    | -100.0%    | -100.0%    | (25,036)    |  |
| 20020                               | OP&EB Liability - Reserves              | \$ 50,000            | \$ -                        | \$ 50,000                  | \$ 100,000              | 100.0%     | 100.0%     | 50,000      |  |
| 20030                               | Pension Liability - Reserves            | \$ -                 | \$ -                        | \$ -                       | \$ -                    | 0.0%       | 0.0%       | -           |  |
|                                     | <b>Total Contingencies and Reserves</b> | \$ 75,036            | \$ -                        | \$ 75,036                  | \$ 100,000              | 33.3%      | 33.3%      | 24,964      |  |
|                                     | <b>Total Appropriations</b>             | \$ 1,276,831         | \$ 898,064                  | \$ 1,286,636               | \$ 1,371,000            | 7.4%       | 7.4%       | 94,169      |  |
| REVENUES                            |   |                      |                             |                            |                         |            |            |             |  |
| 40005                               | Filing Fees                             | \$ 65,000            | \$ 82,430                   | \$ 100,430                 | \$ 75,000               | 15.4%      | 15.4%      | 10,000      |  |
| 40007                               | Interest Income                         | \$ 5,411             | \$ 5,411                    | \$ 7,500                   | \$ 7,500                | 0.0%       | 0.0%       | 7,500       |  |
| 40008                               | Other Income                            | \$ 160               | \$ 160                      | \$ 160                     | \$ -                    | 0.0%       | 0.0%       | -           |  |
| 40012                               | Fund Balance Carryover                  | \$ 50,000            | \$ -                        | \$ -                       | \$ -                    | -100.0%    | -100.0%    | (50,000)    |  |
| 40013                               | Investment Pool Transfer In             | \$ -                 | \$ -                        | \$ -                       | \$ -                    | 0.0%       | 0.0%       | -           |  |
|                                     | <b>Total Revenues</b>                   | \$ 115,000           | \$ 88,001                   | \$ 108,090                 | \$ 82,500               | -28.3%     | -28.3%     | (32,500)    |  |
|                                     | <b>NET OPERATING COSTS</b>              | \$ 1,161,831         | \$ 810,062                  | \$ 1,178,546               | \$ 1,288,500            | 10.9%      | 10.9%      | 126,669     |  |
| LOCAL AGENCY APPORTIONMENT          |   |                      |                             |                            |                         |            |            |             |  |
| 40001                               | City of Los Angeles                     | \$ 178,748           | \$ 178,748                  | \$ 178,748                 | \$ 198,235              | 10.9%      | 10.9%      | 19,487      |  |
| 40002                               | County of Los Angeles                   | \$ 446,863           | \$ 446,863                  | \$ 446,863                 | \$ 495,581              | 10.9%      | 10.9%      | 48,717      |  |
| 40003                               | Other Cities (87)                       | \$ 268,116           | \$ 268,116                  | \$ 268,116                 | \$ 297,346              | 10.9%      | 10.9%      | 29,230      |  |
| 40004                               | Special Districts                       | \$ 268,116           | \$ 268,116                  | \$ 268,116                 | \$ 297,346              | 10.9%      | 10.9%      | 29,230      |  |
|                                     | <b>Total Local Agency Apportionment</b> | \$ 1,161,843         | \$ 1,161,843                | \$ 1,161,843               | \$ 1,288,507            | 10.9%      | 10.9%      | 126,665     |  |
|                                     | Fund balance Deficit                    |                      |                             | \$ (16,703.53)             |                         |            |            |             |  |
|                                     |   |                      |                             | \$ 1,145,139               |                         |            |            |             |  |

**Staff Report**

**May 13, 2015**

**Agenda Item No. 8.a.**

**Protest Hearing on Annexation No. 2003-08 (40-23/4-103) to the Los Angeles County  
Waterworks District No. 40, Antelope Valley**

On April 8, 2015, your Commission approved a request for the annexation of approximately 20.30± acres of inhabited territory into the boundaries of Los Angeles County Waterworks District No. 40, Antelope Valley. The Protest Hearing before you today will satisfy the requirements of Government Code Section 57000, *et seq.*

The number of written protests received and not withdrawn is \_\_\_\_.

**PROPOSAL SUMMARY:**

|                               |  |
|-------------------------------|--|
| Size of Affected Territory:   | 20.30± acres   |
| Inhabited/Uninhabited:        | Inhabited  |
| Applicant:                    | Los Angeles County Waterworks District No. 40,<br>Antelope Valley (District)                               |
| Resolution or Petition:       | March 27, 2003   |
| Application Filed with LAFCO: | November 4, 2003   |
| Location:                     | The affected territory is located at the northeast corner of<br>Avenue N and 55 <sup>th</sup> Street West. |
| City/County:                  | City of Palmdale.  |
| Affected Territory:           | The affected territory consists of 41 existing single-family<br>homes and one existing drainage basin.     |
| Surrounding Territory:        | Surrounding land is residential and vacant land.   |
| Landowner(s):                 | There are multiple owners of record.   |
| Registered Voters:            | 90 registered voters as of February 11, 2015   |

|                                   |  |
|-----------------------------------|--|
| Purpose/Background:               | The purpose of this annexation is to bring the Los Angeles County Waterworks District No. 40, Antelope Valley, customers who are currently being serviced by the District into the District's boundaries.  |
| Related Jurisdictional Changes:   | There are no related jurisdictional changes.   |
| Within SOI:                       | Yes  |
| Waiver of Notice/Hearing/Protest: | No   |
| CEQA Clearance:                   | The proposal is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15319(a) because it consists of an annexation with existing structures developed to the density allowed by current zoning. |
| Additional Information:           | None   |



**FACTORS TO BE CONSIDERED PURSUANT TO GOVERNMENT CODE 56668:**

***a. Population:***

The existing population is 160 residents as of March 5, 2015. The population density is 7 persons per acre.

The estimated future population is 160 residents (no anticipated change).

The affected territory is 20.30+/- acres. The existing land use is residential.

The assessed valuation is \$13,484,637 as of January 29, 2015. The per capita assessed valuation is \$84,279. On September 18, 2012, the County adopted a negotiated tax exchange resolution; all other involved public agencies have adopted a property tax transfer resolution.

The topography of the affected territory is generally flat terrain.

There are no natural boundaries. There is one existing drainage basin located near the northeast corner, within the affected territory.

The nearest populated areas are directly north, south, and west of the affected territory. The affected territory is likely to experience modest growth in the next ten years. The adjacent areas are likely to experience modest growth in the next ten years.

***b. Governmental Services and Controls:***

The affected territory includes 41 existing single-family homes and one existing drainage basin which require organized governmental services. The affected territory will require governmental services indefinitely.

The present cost and adequacy of government services and controls in the area are acceptable. The probable effect of the proposed action and of alternative courses of action on the cost and adequacy of services and controls in the affected territory and adjacent areas is for residents to pay lower rates than they would if they were to remain outside the District boundary and pay out-of-district rates.

***c. Proposed Action and Alternative Actions:***

The 41 single-family homes and one existing drainage basin will not impact the surrounding areas. There is no effect of the proposed action on mutual social and economic interests. As a special district annexation, the proposal has no impact on the local governmental structure of the County.

***d. Conformity with Commission Policies on Urban Development and Open Space Conversion Policies:***

There are no conformance issues because the Commission has not adopted any policies relative to providing planned, orderly, efficient patterns of urban development.

There is no prime agricultural land within or adjacent to the affected territory. The proposal conforms with the objectives in Government Code Sections 56377(a) and 56377(b).

**e. *Agricultural Lands:***

There are no effects on agricultural lands, as defined. None of the land within the affected territory is currently used for the purpose of producing an agricultural commodity for commercial purposes. According to the California Department of Conservation, Division of Land Resource Protection, none of the land within the affected territory is subject to a Land Conservation Act (aka "Williamson Act") contract nor in a Farmland Security Zone (California Land Conservation Act 2012 Status Report).

**f. *Boundaries:***

The boundaries of the affected territory have been clearly defined by the applicant, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

The boundaries conform to lines of assessment or ownership, and these boundaries have been reviewed and approved by LAFCO's GIS/Mapping Technician.

As a special district annexation, the proposal has no impact on existing city-county boundaries, nor does it create islands or corridors of unincorporated territory.

**g. *Consistency with Plans:***

The proposal has no significant impact upon, and is therefore consistent with, the Regional Transportation Plan.

The proposal is consistent with the existing City of Palmdale General Plan designation of SFR-2 (Single Family Residential).

The affected territory is not within the boundaries of any Specific Plan.

Pre-zoning is not a requirement for a special district proposal.

**h. *Sphere of Influence:***

The affected territory is within the Sphere of Influence of the Los Angeles County Waterworks District No. 40, Antelope Valley.

**i. *Comments from Public Agencies:***

Staff did not receive any significant comments from public agencies or any resolutions raising objections from any affected agency.

**j. *Ability to Provide Services:***

The affected territory is already being serviced by the Los Angeles County Waterworks District No. 40, Antelope Valley.

***k. Timely Availability of Water Supplies:***

There are no known issues regarding water supply or delivery.

***l. Regional Housing:***

As a special district annexation, the proposal will not affect any city, nor the county, in achieving their respective fair shares of the regional housing needs as determined by the Southern California Association of Governments (SCAG).

***m. Comments from Landowners, Voters, or Residents:***

Staff did not receive any significant comments from landowners, voters, or residents.

***n. Land Use Designations***

The proposal is consistent with the existing City of Palmdale General Plan designation of SFR-2 (Single Family Residential).

The proposal is consistent with the existing City of Palmdale zoning designation of R-1-13,000 (single-family residential with a minimum lot size of 13,000 square feet).

***o. Environmental Justice:***

The proposal will have no adverse effect with respect to the fair treatment of people of all races and incomes, or the location of public facilities or services.

There are no Disadvantaged Unincorporated Communities (DUCs) within or adjacent to the affected territory.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:**

The project qualifies for a Class 19(a) exemption from CEQA because it consists of an annexation with existing structures developed to the density allowed by current zoning. The original environmental clearance was a Negative Declaration adopted by the Los Angeles County Waterworks District No. 40, Antelope Valley, as lead agency, on June 18, 2002, when the land was vacant and proposed for housing. Since the formerly vacant land has been developed since that time with private residences consistent with the zoning, the Class 19(a) exemption most accurately describes the project before the Commission.

**CONCLUSION:**

Staff recommends approval of the proposal as a logical and reasonable extension of the Los Angeles County Waterworks District No. 40, Antelope Valley, which will be for the interest of landowners and/or present and/or future inhabitants within the District and within the annexation territory.

**Recommended Action:**

1. Open the protest hearing and receive written protests;
2. Close the protest hearing;
3. Instruct the Executive Officer, pursuant to Government Code Section 57075, to determine the value of written protests filed and not withdrawn and report back to the Commission with the results; and
4. Based upon the results of the protest hearing, either adopt a resolution terminating the annexation proceedings if a majority protest exists pursuant to Government Code Section 57078, or ordering Annexation No. 2003-08 to Los Angeles County Waterworks District No. 40 (40-23/4-103), Antelope Valley; directly or ordering the annexation subject to confirmation by the registered voters of the affected territory.

**RESOLUTION NO. 2015-00PR  
RESOLUTION OF THE LOCAL AGENCY FORMATION  
COMMISSION FOR THE COUNTY OF LOS ANGELES  
MAKING DETERMINATIONS ORDERING  
"ANNEXATION NO. 2003-08 (40-23/4-103) TO THE LOS ANGELES COUNTY WATERWORKS  
DISTRICT NO. 40, ANTELOPE VALLEY"**

WHEREAS, the Los Angeles County Waterworks District No. 40, Antelope Valley, (District) adopted a resolution of application to initiate proceedings, which was submitted to the Local Agency Formation Commission for the County of Los Angeles (Commission), pursuant to, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), for annexation of territory herein described to the District, all within the City of Palmdale; and

WHEREAS, the proposed annexation consists of approximately 20.30± acres of inhabited territory and is assigned the following distinctive short-form designation: "Annexation No. 2003-08 to the Los Angeles County Waterworks District No. 40, Antelope Valley"; and

WHEREAS, a description of the boundaries and map of the proposal are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein; and

WHEREAS, the principal reason for the proposed annexation is for the District to provide water service to 41 existing single-family homes and one existing drainage basin; and

WHEREAS, on April 8, 2015, the Commission approved Annexation No. 2003-08 to the Los Angeles County Waterworks District No. 40, Antelope Valley; and

WHEREAS, pursuant to Government Code Section 57002, the Commission set the protest hearing for May 13, 2015 at 9:00 a.m., at the Business License Commission, Kenneth Hahn Hall of Administration Room 374-A, located at 500 West Temple Street, Los Angeles,

California, 90012; and

WHEREAS, the Executive Officer has given notice of the protest hearing pursuant to Government Code Sections 56150-56160, 56660-56661, 57025, and 57026, wherein the protest hearing notice was published in a newspaper of general circulation in the County of Los Angeles on April 13, 2015, which is at least 21 days prior to the protest hearing, and said hearing notice was also mailed to all required recipients by first-class mail on or before the date of newspaper publication; and

WHEREAS, at the time and place fixed in the notice, the hearing was held, and any and all oral or written protests, objections, and evidence were received and considered; and

WHEREAS, the Commission, acting as the conducting authority, has the ministerial duty of tabulating the value of protests filed and not withdrawn and either terminating these proceedings if a majority protest exists or ordering the annexation directly or subject to confirmation by the registered voters.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission finds that the number of property owners is 69, and the number of registered voters is 90, and the total assessed value of land within the affected territory is \$13,484,637.
  - a) The Commission finds that the number of property owners who filed written protests in opposition to Annexation No. 2003-08 to District and not withdrawn is \_\_\_, which, even if valid, represents less than 25 percent of the number of owners of land who own at least 25 percent of the assessed value of land within the affected territory; and

- b) The Commission finds that the number of registered voters who filed written protests in opposition to Annexation No. 2003-08 to District and not withdrawn is \_\_\_, which, even if valid, represents less than 25 percent of the number of registered voters residing within boundaries of the affected territory.
2. A description of the boundaries and map of the proposal, as approved by this Commission, are set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
3. The affected territory consists of 20.30± acres, is inhabited, and is assigned the following short form designation: "Annexation No. 2003-08 to the Los Angeles County Waterworks District No. 40, Antelope Valley"
4. Annexation No. 2003-08 to the Los Angeles County Waterworks District No. 40, Antelope Valley, is hereby approved, subject to the following terms and conditions:
- a. The District agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
  - b. The effective date of the annexation shall be the date of recordation.
  - c. Payment of Registrar- Recorder/County Clerk and State Board of Equalization fees.

- d. The territory so annexed shall be subject to the payment of such service charges, assessments or taxes as may be legally imposed by the District.
  - e. The regular County assessment roll shall be utilized by the District.
  - f. The affected territory will be taxed for any existing general indebtedness, if any, of the District.
  - g. Annexation of the affected territory described in Exhibits "A" and "B" to the District.
  - h. Except to the extent in conflict with "a" through "g", above, the general terms and conditions contained in Chapter 2 of Part 5, Division 3, Title 5 of the California Government Code (commencing with Government Code Section 57325) shall apply to this annexation.
5. The Commission hereby orders the inhabited territory described in Exhibits "A" and "B" annexed to District.
6. The Executive Officer is directed to transmit a copy of this resolution to the District, upon the District's payment of the applicable fees required by Government Code Section 54902.5 and prepare, execute and file a certificate of completion with the appropriate public agencies, pursuant to Government Code Section 57200, *et seq.*



Resolution No. 2015-00PR

Page 5

PASSED AND ADOPTED this 13<sup>th</sup> day of May 2015.

MOTION:

SECOND:

AYES:

NOES:

ABSTAIN:

ABSENT:

MOTION PASSES: 0/0/0

**LOCAL AGENCY FORMATION COMMISSION  
FOR THE COUNTY OF LOS ANGELES**

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**Paul A. Novak, AICP  
Executive Officer**







## **Staff Report**

**May 13, 2015**

### **Agenda Item No. 9.a.**

#### **Community Choice Aggregation (CCA)**

At your meeting of March 11<sup>th</sup> meeting, the Commission directed staff to report back on whether there is LAFCO jurisdiction over community choice aggregation (CCA).

##### Summary

At present, LAFCOs have no authority over the formation, operation, or geographic jurisdiction of CCAs.

- LAFCO authority over changes in organization, which include formation of a district or incorporation of a city, expressly applies to cities and certain, specified special districts, as outlined in the Cortese-Knox-Hertzberg Local Government Reorganization Act (Act or CKH). CCAs are neither cities nor special districts as defined. Most have been established as joint powers authorities (JPAs), which do not fall within the CKH definitions of cities or special districts.
- Pursuant to the Act, a city or special district may provide or extend services outside its territory, but only if it receives written approval from LAFCO in advance. By its terms, this provision only applies to services of a city or district.

##### Background

According to the U.S. Department of Energy, “[c]ommunity choice aggregation (CCA) is a state policy that enables local governments to aggregate electricity demand within their jurisdictions, in order to procure alternative energy supplies, while maintaining the existing electricity provider for transmission and distribution services. Many states passed CCA laws as part of electric restructuring legislation in the late 1990s and early 2000s. States that have passed CCA laws including California (2002), Illinois (2009), Massachusetts (1997), New Jersey (2003), New York (2014), Ohio (1999), and Rhode Island (1997). There are many reasons that a community may choose to develop a CCA, including the option to purchase more green power, reduce electricity cost, and provide power from more local sources.”<sup>1</sup>

In California, legislation enabling CCAs was introduced in 2001 Assemblywoman Carole Migden (AB 117, the “Community Choice Aggregation Law”), and adopted in September of 2002 and codified in the state statutes at Public Utilities Code Sections 366.2, 381.1, and 707 et al. Establishment of a CCA must meet certain basic requirements of state law, as certified in the formation stage of a CCA by the California Public Utility Commission (CPUC).

CCAs “aggregate” all of the customers in a particular region, thereby increasing purchasing power to purchase electricity from a supplier. That electricity, though, is then distributed through the local utility provider, generally, an investor-owned utility (IOU) such as Pacific Gas & Electric (PG&E) in Central and Northern California, San Diego Gas & Electric (SDG&E) in the greater San Diego area, or Southern California Edison (SCE) in Southern California.

The reasons to form a CCA are: more local control (a city, county, or several combined purchase the power, not the larger investor-owned utilities); more “green” power; and to provide power that is cheaper, due to aggregating the purchasing power of a large group of people.

At present, staff is unaware of any CCAs in California which generate electrical power, though several CCAs reportedly have plans to build and own some of their own generation. Given the time that it takes to build new sources of electricity, the only way a CCA can get started is to purchase electricity in the marketplace.

While the power purchased from a CCA is, in fact, an “alternative” to the traditional supplier of electricity—generally, an investor-owned utility (IOU) such as PG&E, SCE, or SDG&E—the CCA does not entirely “replace” the existing electricity providers. These larger investor-owned utilities still “receive” the electricity from the CCA, distribute it to customers through the IOU’s infrastructure, and bill the consumer. The existence of the CCA does, however, enable the resident or business-owner to purchase all or some of his or her electricity from the CCA, through the IOU which supplies power in that area. Again, the customer’s bill still comes from the IOU, and the IOU handles all service and delivery issues.

#### Formation of CCAs in California

The following CCAs have been established in California:<sup>2</sup>

- San Joaquin Valley Power Authority. Launched in the Fresno area in 2006, the SJVPA is a joint powers authority of Kings County and 11 cities.
- Marin Clean Energy. Launched in 2010, the MCE is a joint powers authority originally consisting of Marin County and 8 cities. MCE now includes unincorporated Napa County and portions of 15 cities (some of which are outside of both Marin and Napa counties). According to its website, MCE was the first CCA formed in California.
- Sonoma Clean Power Authority. Launched in 2014, SCPA is a joint power authority of Sonoma County and 8 cities.
- Clean Power SF. Launched in 2013 by the City and County of San Francisco and administered by the San Francisco Public Utilities Commission (SFPUC). Clean Power SF includes the area within the boundaries of the City and County of San Francisco (combined city and county).

- Lancaster Community Choice Aggregation. Launched in 2015 by the City of Lancaster, and encompassing all land within the city's boundaries, the LCCA became operational on May 1, 2015.

Staff understands that the formation of CCAs is being considered by several other counties (Alameda, Humboldt, Monterey, San Benito San Diego, San Mateo Santa Clara, and Santa Cruz), often in partnership with cities in their respective counties. As described in a joint motion by Supervisors Don Knabe and Sheila Kuehl, and adopted by the Los Angeles County Board of Supervisors on March 17<sup>th</sup>, several cities in Los Angeles County (Carson, Culver City, Hermosa Beach, Inglewood, Manhattan Beach, Santa Monica, and Torrance) are also considering the formation of a CCA.

Staff conferred with representatives of other LAFCOs where CCAs have been formed, and, with one exception, the LAFCOs were not involved in CCA formations. The exception is in the City and County of San Francisco, where San Francisco LAFCO was heavily involved in the planning and formation of a proposed CCA; San Francisco, LAFCO, however, was not involved in the formation of the CCA in its regulatory capacity. LA LAFCO was not involved in the Lancaster Community Choice Aggregation formed by the City of Lancaster, which will only serve customers who are located within city boundaries.

#### Conclusions:

At present, LAFCOs have no authority over the formation, operation, or geographic jurisdiction of CCAs.

Staff is unaware of any CCAs in California which generate electrical power, though several CCAs reportedly have plans to build and own some of their own generation. And, because the electrical power is distributed by the IOU to the ultimate customers, one could argue that CCAs do not provide a direct municipal service (electrical power) to consumers. This is an important distinction, compared to the cities and special districts within LAFCO's jurisdiction, all of which provide a municipal service in one form or another.

Staff will monitor the formation and operation of CCAs within Los Angeles County, because CCAs may indirectly impact LA LAFCO determinations relating to changes in organization of cities and districts. For example, staff might consider a CCA's impact on municipal services when forming draft determinations associated with the preparation Municipal Service Reviews and other studies.

Staff notes that the Los Angeles County Interim Chief Executive Officer's response to Supervisor Knabe and Kuehl's motion is anticipated to be available in mid-June of 2015. Staff will provide copies to the Commission.

**Recommended Action:**

1. Receive and File.

**Footnotes:**

<sup>1</sup> U.S. Department of Energy “Energy Efficiency & Renewable Energy” Website, 04-091-15.

<sup>2</sup>The “launch” dates are when each CCA became operational. Prior planning has taken several years.

MOTION BY SUPERVISORS KNABE AND KUEHL

March 17, 2015

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. In California, CCA was adopted into law in September 2002.

Over the last five years, CCA has become an increasingly popular option among local governments interested not only in providing greater customer choice and competitive energy pricing, but also in obtaining power from cleaner and renewable sources. CCA programs typically offer consumers the choice to opt-in or to opt-out of partially and/or fully renewable energy programs.

Today, about 5% of the U.S. population is under CCA service for electricity in over a thousand municipalities, including Marin and Sonoma counties, and the cities of Chicago and Cincinnati.

The State has mandated that 30% of the electricity supplied to retail customers shall come from clean and renewable energy sources no later than 2020. Proposed legislation seeks to increase that level to 50% by 2030. Initial California CCA programs in Marin and Sonoma show that this demand for cleaner power is driving down clean power costs, offering more innovative programs for generating and delivering local clean power, and doing so at competitive rates.

- M O R E -

MOTION

|               |       |
|---------------|-------|
| SOLIS         | _____ |
| RIDLEY-THOMAS | _____ |
| KUEHL         | _____ |
| KNABE         | _____ |
| ANTONOVICH    | _____ |

As a result, Alameda County, Santa Clara County, San Diego County and San Mateo County have each announced plans to implement CCAs. The City of Lancaster has also submitted a CCA plan to the California Public Utilities Commission and will be operating shortly.

Other cities in Los Angeles County have adopted resolutions supporting Community Choice Aggregation and are seeking to develop implementation plans. These include the cities of Manhattan Beach, Hermosa Beach, Carson, Torrance, Inglewood, Culver City and Santa Monica.

Because of the County's ongoing leadership role in developing and implementing region-wide programs such as the Southern California Regional Energy Network (SoCalREN) and Property Assessed Clean Energy (PACE) financing, it is important that the County explore the feasibility and potential benefits of CCA in the region.

**WE, THEREFORE, MOVE** that the County Office of Sustainability, in the Internal Services Department, in cooperation with the Chief Executive Office:

- Assess the costs, benefits and risks associated with developing a Community Choice Aggregation program within the County;
- Summarize other jurisdictions' experiences in implementing CCA programs and impacts on consumers' electricity costs;
- Identify potential CCA governance and financial models for ongoing operations;
- Work with cities within the County to gauge their interest in CCA and to assess the potential benefits of consistency and scale in a countywide CCA program;
- Meet with local utilities to assess the potential benefits of partnering to develop a CCA in the region;
- Identify up to \$150,000 in funding to conduct a feasibility analysis of initiating a CCA;
- Submit a written report to the Board of Supervisors in 90 days on these issues, with a recommendation on additional actions required to implement a Community Choice Aggregation program.

###

AN:eg



## **Staff Report**

**May 13, 2015**

### **Agenda Item No. 9.b.**

#### **Proposed Amendment to Policy Concerning Proposals Requesting an Out-of-Agency Service Extension or Exemption Pursuant to Government Code Section 56133**

At the February 11<sup>th</sup> meeting, the Commission adopted a policy concerning proposals requesting an out-of-agency service extension or exemption pursuant to Government Code Section 56133. The Commission further directed staff to return with a proposed amendment to address 56133 proposals for urgent situations when it would be in the public interest to waive the hearing notice requirement. The enclosed draft policy as amended is (new language in red/underline).

#### **Staff Recommendation:**

Staff recommends that the Commission:

1. Adopt the enclosed draft policy as amended (Proposals Requesting an Out-of-Agency Service Extension or Exemption Pursuant to Government Code Section 56133); and
2. Direct the Executive Officer to Post the adopted policy on the Commission website.

## **Proposals Requesting an Out-of-Agency Service Extension or Exemption**

### **Pursuant to Government Code Section 56133**

**Adopted February 11, 2015**

**(Proposed revisions of May 13, 2015 are underlined)**

Unless determined by the Commission to be exempt, a city or district may provide new or extended services by contract outside its jurisdictional boundaries only if it first requests and receives written approval from the Commission.

If a request pursuant to Government Code Section 56133 is filed by a party other than the city or district which would provide the service, the affected city or district must provide a written endorsement indicating its willingness to provide the service if the Commission approves the request.

The Commission shall consider any proposals for an out-of-agency service extension, either pursuant to Government Code Section 56133(b), if a future change of organization or reorganization is anticipated, or pursuant to Government Code Section 56133(c), if the Commission finds that there is an existing or impending threat to public health or safety of the residents of the affected territory.

The Commission shall also consider any requests to be exempt from the requirement to obtain LAFCO approval of an out-of-agency service extension, pursuant to Government Code Section 56133(e), except as otherwise provided herein.

LAFCO shall publish a notice no less than 21 days in advance of the public hearing before the Commission, consistent with Government Code sections 56153-56154.

If the Executive Officer determines that an out-of-agency request is associated with an urgent situation where the public interest requires action in less than 21 days, the Executive Officer may waive the 21-day notice and agendize the matter before the Commission as a special meeting, which may be by teleconference, pursuant to the requirements of the Ralph M. Brown Act (Government Code Section 54950 et seq) with the concurrence of the Commission Chair, or if the Chair is unavailable, the concurrence of the First Vice Chair, or Second Vice Chair as may be available.

## **Staff Report**

**May 13, 2015**

### **Agenda Item No. 9.c.**

#### **Legislative Update**

This report is intended to update the Commission on pending bills in the California Legislature which may impact LA LAFCO.

During the first few months of every year, CALAFCO Executive Director Pamela Miller regularly updates a document ("CALAFCO List of Current Bills") and sends it out to members of the CALAFCO Legislative Committee. The report identifies all legislation which CALAFCO is monitoring, states whether CALAFCO has taken a formal position on each bill, and describes the current status. Attached is the most recent version, dated April 27, 2015

Summary of key bills monitored and their current status:

- SB 239 (Hertzberg): This is the bill requiring advance approval of represented firefighters unions in advance of Commission approval of out-of-agency service extensions involving structural fire protection services. The Commission took a position opposing SB 239 at your April 8<sup>th</sup> meeting. The first hearing, scheduled before the Senate Committee on Governance & Finance on April 15<sup>th</sup>, was canceled at the request of the author. The meeting was rescheduled and heard on April 29<sup>th</sup>, and the Committee unanimously approved the bill. The next step is for the bill to be considered by the Appropriations Committee.

The Committee has received opposition letters from CALAFCO, the County Supervisors Association of California (CSAC), the League of California Cities, the California Special Districts Association (CSDA), the California Building Industry Association (CBIA); several fire districts, and several LAFCOs,

- AB 851 (Mayes): This is a CALAFCO-sponsored bill to reform existing sections of CKH relative to disincorporation of cities. CALAFCO and several LAFCOs have taken positions in support. The Commission is being asked to support the bill under a separate item on today's agenda (Item 9.d.). CALAFCO has been working diligently to incorporate amendments to address concerns expressed by CSAC, CSDA, and the League of Cities. The bill was unanimously approved by the Assembly Local Government Committee on April 22<sup>nd</sup>. The bill is next scheduled to be heard by the Assembly Appropriations Committee (no date had been set as of the writing of this update).

- AB 1532 (Assembly Committee on Local Government): This is the annual Omnibus Bill supported by CALAFCO. The bill is scheduled to be on the ALGC's consent agenda for May 6<sup>th</sup>. If approved by ALGC, the bill moves on to the Assembly floor for consideration, before being sent over to the Senate. CALAFCO and several LAFCOs have taken positions in support, including LA LAFCO's support letter of April 9<sup>th</sup>. Staff does not anticipate any opposition to AB 1532.

Staff will be happy to answer any questions prior to or at the Commission meeting.

**Recommended Action:**

1. Receive and File.



# CALAFCO List of Current Bills

## 4/27/2015

### Priority 1

[AB 402](#)

([Dodd](#) D) Local agency services: contracts.

Current Text: Introduced: 2/19/2015 [pdf](#) [html](#)

Introduced: 2/19/2015

Status: 3/2/2015-Referred to Com. on L. GOV.

Location: 3/2/2015-A. L. GOV.

|           |        |        |       |           |        |        |       |                |          |        |           |
|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

**Summary:** Would allow a local agency formation commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries to support existing or planned uses involving public or private properties, subject to approval at a publicly noticed hearing where the commission makes specified determinations. The bill would also make technical and conforming changes.

Position

Subject

Watch

CKH General Procedures, LAFCo

Administration, Service Reviews/Spheres

**CALAFCO Comments:** As written, this bill expands LAFCo's existing authority to approve new and extended services beyond agencies' spheres of influence inclusive of public health and safety threats, only if LAFCo can make three findings at noticed public hearings. These findings involve determining the extension: (1) was evaluated in a municipal service review; (2) will not result in adverse impacts on open-space and agricultural lands or growth; and (3) a later change of organization is not expected or desired based on local policies. Further, the bill clarifies LAFCo's sole authority in determining the application of the statute, and deemphasizes the approval of contracts and emphasizes the approval of service extensions.

CALAFCO previously considered (over an extensive period of time) amending GC §56133, and twice (in 2011 and again in 2013) the CALAFCO Board of Directors decided not to pursue those amendments. This is not a CALAFCO sponsored bill. Assembly member Dodd is a former Napa LAFCo Commissioner.

[AB 448](#)

([Brown](#) D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 4/22/2015-In committee: Set, first hearing. Referred to APPR. suspense file.

Location: 4/22/2015-A. APPR. SUSPENSE FILE

|           |        |        |       |           |        |        |       |                |          |        |           |
|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

**Summary:** Current property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. This bill would modify these reduction and transfer provisions, for the 2015-16 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

Position

Subject

Support

Financial Viability of Agencies, Tax  
Allocation

**CALAFCO Comments:** As introduced, this bill is identical to AB 1521 (Fox) from last year. This bill reinstates the VLF payment (through ERAF) and changes the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2015-16 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2016-17, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation

(Mayes R) Local government: organization: disincorporations.

Current Text: Amended: 4/13/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Last Amend: 4/13/2015

Status: 4/23/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (April 22). Re-referred to Com. on APPR.

Location: 4/23/2015-A. APPR.

|           |        |        |       |           |        |        |       |                |          |        |           |
|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

*Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires a local agency or school district that initiates proceedings for a change of local government organization or reorganization, by submitting a resolution of application to a local agency formation commission, to also submit a plan for providing services within the affected territory, as specified. This bill would, in the case of a disincorporation or reorganization that includes a disincorporation, require the plan for services to include specific provisions, including, among others, an enumeration and description of the services currently provided by the city proposed for disincorporation.*

Position

Subject

Sponsor

CKH General Procedures,  
Disincorporation/dissolution

*CALAFCO Comments: Sponsored by CALAFCO. As introduced, this bill addressed the long-outdated statutes relating to disincorporation. Although many other areas of CKH have been updated over the past 52 years, the areas pertaining to disincorporations remain in their original format as written in 1963.*

*This bill does the following: (1) Clarifies the expectation for assignment of responsibility for debt that will continue in existence after disincorporation; (2) Establishes the parameters and requirements for the submission of the Plan for Service for a disincorporation proposal which outlines existing services, the proponent's plan for the future of those services, and whether or not a bankruptcy proceeding has been undertaken; (3) Establishes the responsibilities of LAFCOs in preparing a Comprehensive Fiscal Analysis for disincorporations, the determination of the transfer of property tax revenues previously received by the proposed disincorporating City, and the determination of the transfer of debt to a successor agency or agencies. Further, the bill retains LAFCOs existing authority to impose terms and conditions on a proposed disincorporation as well as the election requirements necessary for approval of disincorporation. The proposed disincorporation statutory changes use the incorporation provisions as a template to propose changes in the disincorporation process.*

(Committee on Local Government) Local government: omnibus.

Current Text: Introduced: 3/23/2015 [pdf](#) [html](#)

Introduced: 3/23/2015

Status: 4/6/2015-Referred to Com. on L. GOV.

Location: 4/6/2015-A. L. GOV.

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|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

*Calendar: 5/6/2015 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, MAIENSCHEN, Chair*

*Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, requires a local agency formation commission to notify specified state agencies having oversight or regulatory responsibility over, or a contractual relationship with, a local health care district when a proposal is made for any of specified changes of organization affecting that district. This bill would update obsolete references to a "hospital" district and replace outdated references to the State Department of Health Services with references to the State Department of Public Health and the State Department of Health Care Services.*

Position

Subject

Sponsor

CKH General Procedures

*CALAFCO Comments: This is the annual Omnibus bill for the Cortese-Knox-Hertzberg Reorganization Act of 2000. This bill makes nonsubstantive technical clean-up corrections to the Act.*



([Roth](#) D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Current Text: Introduced: 12/1/2014 [pdf](#) [html](#)

Introduced: 12/1/2014

Status: 4/20/2015-April 20 hearing: Placed on APPR. suspense file.

Location: 4/20/2015-S. APPR. SUSPENSE FILE

|           |        |        |       |           |        |        |       |             |          |        |           |
|-----------|--------|--------|-------|-----------|--------|--------|-------|-------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |             |          |        |           |

Summary: Would modify specified reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2014-2015 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill contains other related provisions and other existing laws.

Position

Subject

Support

Financial Viability of Agencies

CALAFCO Comments: Identical to SB 69 (Roth) from 2014, the bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2014/15 year for cities that incorporated between 1-1-2004 and 1-1-2012.

([Hertzberg](#) D) Local services: contracts: fire protection services.

Current Text: Amended: 4/23/2015 [pdf](#) [html](#)

Introduced: 2/17/2015

Last Amend: 4/23/2015

Status: 4/23/2015-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.

Location: 4/23/2015-S. G. & F.

|           |        |        |       |           |        |        |       |             |          |        |           |
|-----------|--------|--------|-------|-----------|--------|--------|-------|-------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |             |          |        |           |

Calendar: 4/29/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

Summary: Current law permits a city or district to provide extended services, as defined, outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county. Under current law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances. This bill would permit a public agency to exercise new or extended services outside the public agency's current service area pursuant to a fire protection reorganization contract, as defined, only if the public agency receives written approval from the local agency formation commission in the affected county.

Position

Subject

Oppose

CKH General Procedures, Municipal Services

CALAFCO Comments: While amendments for fire protection service extensions have been moved into the proper section of 56133, there are still a number of problems with the policies proposed. As amended, this bill still circumvents local District Board and LAFCo authority on service extensions relating to fire protection services by allowing unions the authority to approve/disapprove the service contracts. The bill calls for a Fire Protection Reorganization Contract to be submitted with the application, thereby confusing a service extension with a reorganization. It is required for applications that (1) Transfer greater than 25% of the service area or (2) Changes the employment status of more than 25% of employees of any affected agencies. Prior to submitting the application for service extension, all affected agency employee unions must approve the request and conduct a public hearing. The bill requires contents of the Contract Plan to include: (1) Cost of providing services to be extended; (2) Cost to customers; (3) an ID of existing service providers; (4) Financing plan; (5) Alternatives to the extension; and (6) A comprehensive Fiscal Analysis. It further requires the CFA to include (1) Cost to provide services for three years; (2) Cost comparison; (3) Estimated revenue for three years; and (4) Cost/revenue effects to any affected agency.

The bill also outlines determinations the commission must make that include the provider of services for the extension of service will build a "reasonable reserve" during the three years following the effective date of the contract. This new requirement is highly subjective and ambiguous as it is undefined and sets a precedent.

The amendments do little to address CALAFCO's primary concerns that this is not only bad policy, but unnecessary in that 56133 already addresses service extensions. Further, the bill continues to remove discretion from elected and appointed Boards of public agencies as well as from state agencies by requiring pre-approval of unions that are already fully protected by the Meyers Milius Brown Act (MMBA). The bill also requires a California state agency to apply for, and request LAFCo approval prior to undertaking an action that involves the provision of services outside of a public agency's current service area under contract or agreement. This sets another precedent. Finally, the bill addresses only one type of service provider, which fails to address the concern of why the provision of fire protection services, by contract or agreement, outside of a public agency's boundaries, requires a different level of review than other types of equally vital services or demands a heightened or weighted review from any commenter or affected agency.

## SB 272

([Hertzberg D](#)) The California Public Records Act: local agencies: inventory.

Current Text: Amended: 4/6/2015 [pdf](#) [html](#)

Introduced: 2/19/2015

Last Amend: 4/6/2015

Status: 4/24/2015-Set for hearing May 4.

Location: 4/22/2015-S. APPR.

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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. |          |        |           |
|           |        |        |       |           |        |        |       | Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |       |          |        |           |

Calendar: 5/4/2015 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:** Would require each local agency, in implementing the California Public Records Act, to create a catalog of enterprise systems, as defined, to make the catalog publicly available upon request in the office of the clerk of the agency's legislative body, and to post the catalog on the local agency's Internet Web site. The bill would require the catalog to disclose a list of the enterprise systems utilized by the agency, and, among other things, the current system vendor and product. Because the bill would require local agencies to perform additional duties, it would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

### Position

### Subject

### Watch

LAFCo Administration, Public Records Act

**CALAFCO Comments:** As amended, this bill requires all local agencies (including LAFCo) to create a catalogue of enterprise systems used by that agency and make that catalogue available to the public. For purposes of the bill, the author defines enterprise systems as a system that both (1) is a multi-departmental system or system containing information collected about the public; AND (2) a system of record for that agency. Further, the bill defines a system of record as a system that serves as an original source of data within an agency. The bill requires certain pieces of information be disclosed including (1) Current system vendor; (2) Current system product; (3) A brief statement of the system's purpose; (4) A general description of categories, modules, or layers of data; (5) The department that serves as the system's primary custodian; (6) How frequently system data is collected; and (7) How frequently system data is updated.

## Priority 2

## AB 3

([Williams D](#)) Isla Vista Community Services District.

Current Text: Amended: 3/26/2015 [pdf](#) [html](#)

Introduced: 12/1/2014

Last Amend: 3/26/2015

Status: 4/6/2015-Re-referred to Com. on L. GOV.

Location: 4/6/2015-A. L. GOV.

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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. |          |        |           |
|           |        |        |       |           |        |        |       | Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |       |          |        |           |

Calendar: 5/6/2015 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, MAIENSCHEN, Chair

**Summary:** Would establish the Isla Vista Community Services District and would specify the services that district would be authorized to provide, including, among others, the power to create a tenant mediation program and to exercise the powers of a parking district. This bill contains other related provisions.



## Position

## Subject

Oppose unless  
amended

LAFCo Administration, Special District  
Powers

CALAFCO Comments: As amended, this bill gives legislative authority for the creation of the Isla Vista Community Services District (CSD). Addressed in the amendments are the services that would be provided, but not the formation process, governance or financing mechanisms. This authority would completely bypass the LAFCo process in the creation of this special district. CALAFCO issued a letter of concern on the intent language on December 20, 2014.

[AB 707](#)

([Wood](#) D) Agricultural land: Williamson Act contracts: cancellation.

Current Text: Amended: 4/6/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Last Amend: 4/6/2015

Status: 4/16/2015-From committee: Do pass and re-refer to Com. on L. GOV. (Ayes 10. Noes 0.) (April 15). Re-referred to Com. on L. GOV.

Location: 4/16/2015-A. L. GOV.

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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

Calendar: 4/29/2015 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, MAIENSCHIN, Chair

Summary: Would provide that the authority for the landowner and the Department of Conservation to agree on the cancellation value of the land does not apply to a contract between a landowner and a city or county if that contract includes an additional cancellation fee, as specified.

## Position

## Subject

Watch

Ag Preservation - Williamson

CALAFCO Comments: As written, this bill repeals the provision that allows cancellation of the valuation of the land.

### Priority 3

[AB 168](#)

([Maienschein](#) R) Local government finance.

Current Text: Introduced: 1/22/2015 [pdf](#) [html](#)

Introduced: 1/22/2015

Status: 1/23/2015-From printer. May be heard in committee February 22.

Location: 1/22/2015-A. PRINT

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|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

Summary: Current law requires the county auditor, in the case in which a qualifying city becomes the successor agency to a special district as a result of a merger with that district as described in a specified statute, to additionally allocate to that successor qualifying city that amount of property tax revenue that otherwise would have been allocated to that special district pursuant to general allocation requirements. This bill would make nonsubstantive changes to the provision pertaining to property tax revenue allocations to a qualifying city that merges with a special district.

## Position

## Subject

Placeholder -  
monitor

Tax Allocation

CALAFCO Comments: This is a spot bill. No information is available on the author's intent at this time.

[AB 369](#)

([Steinorth](#) R) Local government.

Current Text: Introduced: 2/17/2015 [pdf](#) [html](#)

Introduced: 2/17/2015

Status: 2/18/2015-From printer. May be heard in committee March 20.

Location: 2/17/2015-A. PRINT

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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

Summary: The Planning and Zoning Law establishes in each city and county a planning agency with the powers

necessary to carry out the purposes of that law. Current law sets forth the Legislature's findings and declarations regarding the availability of affordable housing throughout the state. This bill would make nonsubstantive changes to those findings and declarations.

Position  
Placeholder -  
monitor

Subject

CALAFCO Comments: This is a spot bill. No information is available at this time regarding the author's intent for the bill. CALAFCO will monitor for amendments.

[AB 541](#)

([Dahle R](#)) Big Valley Watermaster District Act.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 3/5/2015-Referred to Com. on L. GOV.

Location: 3/5/2015-A. L. GOV.

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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

Summary: Would create a watermaster district with unspecified boundaries within the Counties of Lassen and Modoc to be known as the Big Valley Watermaster District. The bill would generally specify the powers and purposes of the district. The bill would prescribe the composition of the board of directors of the district. The bill would require the district to provide watermaster service on behalf of water right holders whose place of use under an appointed decree, as defined, is a parcel of real property within the district.

Position

Subject

Watch

LAFCo Administration, Special District  
Powers, Water

[AB 568](#)

([Dodd D](#)) Reclamation District No. 108: hydroelectric power.

Current Text: Introduced: 2/24/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 4/9/2015-From committee: Do pass and re-refer to Com. on U. & C. (Ayes 9. Noes 0.) (April 8). Re-referred to Com. on U. & C.

Location: 4/9/2015-A. U. & C.

|           |        |        |       |           |        |        |       |       |          |        |           |
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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

Calendar: 5/4/2015 3 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND COMMERCE, RENDON, Chair

Summary: Current law authorizes Reclamation District No. 1004, in conjunction with the County of Colusa, to construct, maintain, and operate a plant, transmission lines, and other necessary or appropriate facilities for the generation of hydroelectric power, as prescribed. Current law requires proceeds from the sale of electricity to be utilized to retire any time warrants issued for construction of the facilities and otherwise for the powers and purposes for which the district was formed. This bill would grant the above-described hydroelectric power authority to Reclamation District No. 108.

Position  
Watch

Subject  
Special District Powers

[AB 656](#)

([Garcia, Cristina D](#)) Joint powers agreements: mutual water companies.

Current Text: Introduced: 2/24/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Status: 4/22/2015-In committee: Set, first hearing. Hearing canceled at the request of author.

Location: 3/9/2015-A. L. GOV.

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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       | Conc. |          |        |           |

Calendar: 4/29/2015 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, MAIENSCHEIN, Chair

Summary: Current law authorizes local public entities, as defined, to enter into a joint powers agreement for the purposes of providing risk-pooling, as specified. This bill would specifically authorize 2 or more mutual water companies, or 2 or more mutual water companies and one or more public agencies that operate a public water system,



to participate in joint powers agreement for risk-pooling, technical support, and other similar services.

Position  
Watch

Subject  
Other

CALAFCO Comments: As written, the bill gives the ability to two or more mutual water companies, or a mutual water company and a public agency to enter into a joint powers agreement. The bill limits the purpose of such a joint powers agreement to either risk-pooling or the provision of technical support, continuing education, safety engineering, operational and managerial advisory assistance to be provided to the members of that joint powers agency.

[SB 13](#)

([Pavley D](#)) Groundwater.

Current Text: Amended: 4/23/2015 [pdf](#) [html](#)

Introduced: 12/1/2014

Last Amend: 4/23/2015

Status: 4/23/2015-Read third time and amended. Ordered to second reading.

Location: 4/23/2015-S. SECOND READING

|           |        |        |       |           |        |        |       |                |          |        |           |
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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

Calendar: 4/27/2015 #11 SENATE SENATE BILLS-SECOND READING FILE

Summary: Would specify that the State Water Resources Control Board is authorized to designate a high- or medium-priority basin as a probationary basin. This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the board to designate the basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin. This bill contains other related provisions and other existing laws.

Position  
Watch

Subject  
Water

CALAFCO Comments: While this bill has no direct affect on LAFcos, the formation of groundwater management agencies and groundwater management is of interest, therefore CALAFCO will watch the bill.

[SB 181](#)

(Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/9/2015 [pdf](#) [html](#)

Introduced: 2/9/2015

Status: 4/16/2015-In Assembly. Read first time. Held at Desk.

Location: 4/16/2015-A. DESK

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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

Summary: This bill would enact the First Validating Act of 2015, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Position  
Support

Subject  
Other

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

[SB 182](#)

(Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/9/2015 [pdf](#) [html](#)

Introduced: 2/9/2015

Status: 4/16/2015-In Assembly. Read first time. Held at Desk.

Location: 4/16/2015-A. DESK

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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

Summary: This bill would enact the Second Validating Act of 2015, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Position  
Support

Subject  
Other

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

**SB 183***(Committee on Governance and Finance) Validations.**Current Text: Introduced: 2/9/2015 [pdf](#) [html](#)**Introduced: 2/9/2015**Status: 4/16/2015-In Assembly. Read first time. Held at Desk.**Location: 4/16/2015-A. DESK*

|           |        |        |       |           |        |        |       |                |          |        |           |
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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

*Summary: This bill would enact the Third Validating Act of 2015, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.*

*Position**Subject**Support**Other**CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.***SB 184***(Committee on Governance and Finance) Local government: omnibus bill.**Current Text: Amended: 4/16/2015 [pdf](#) [html](#)**Introduced: 2/9/2015**Last Amend: 4/16/2015**Status: 4/24/2015-Set for hearing April 29.**Location: 4/22/2015-S. G. & F.*

|           |        |        |       |           |        |        |       |                |          |        |           |
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| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

*Calendar: 4/29/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair*

*Summary: Current law requires the legislative body of a local entity to annually file with the auditor a list of lots or parcels of land subject to specified fees or charges for water, sanitation, storm drainage, or sewerage system services and facilities and the amounts of the installments of the fees or charges to be entered against the affected lots or parcels of land. Current law requires the auditor to enter on the assessment roll the amounts of installments of these fees or charges. Current law defines the auditor, for the purposes of these provisions, as the financial officer of the local entity. This bill would clarify that the above-described provisions relating to the authority and duties of the auditor apply only to the county auditor. This bill makes changes to the duties and processes of the County Recorder. The bill would also make changes to the Subdivision Map Act and the Uniform Public Construction Cost Accounting Act. This bill contains other related provisions.*

*Position**Subject**Watch**Other*

*CALAFCO Comments: This bill is the Senate Governance & Finance Committee's annual Omnibus bill. This bill is intended to make technical, non-substantive changes to the Government Code outside of CKH.*

**SB 226***(Pavley D) Sustainable Groundwater Management Act: groundwater rights.**Current Text: Amended: 4/6/2015 [pdf](#) [html](#)**Introduced: 2/13/2015**Last Amend: 4/6/2015**Status: 4/21/2015-Set for hearing April 28.**Location: 4/14/2015-S. JUD.*

|           |        |        |       |           |        |        |       |                |          |        |           |
|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

*Calendar: 4/28/2015 9:30 a.m. - Rose Ann Vuich Hearing Room (2040) 1:30 p.m. - John L. Burton Hearing Room (4203) SPECIAL ORDER AT 1:30 P.M. SENATE JUDICIARY, JACKSON, Chair*

*Summary: The bill would provide that a court shall use the Code of Civil Procedure for determining rights to groundwater, except as provided by the special procedures established in the bill. This bill would require the process for determining rights to groundwater to be available to any court of competent jurisdiction. The bill would provide that it applies to Indian tribes and the federal government. The bill would require the boundaries of a basin to be as identified in Bulletin 118, unless other basin boundaries are established, as specified. This bill contains other existing laws and other provisions.*

*Position**Subject**Placeholder -  
monitor**Water*



CALAFCO Comments: This is a spot bill to address groundwater rights relating to the new Sustainable Groundwater Management Agencies.

[SB 393](#)

([Nguyen R](#)) Local agencies.

Current Text: Introduced: 2/25/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Status: 3/5/2015-Referred to Com. on RLS.

Location: 3/5/2015-S. RLS.

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|-----------|--------|--------|-------|-----------|--------|--------|-------|-------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |             |          |        |           |

Summary: Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, establishes the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. This bill would make technical, nonsubstantive changes to the above-described law.

Position  
Placeholder -  
monitor

Subject  
CKH General Procedures

CALAFCO Comments: This is a spot bill. According to the author's office, it has been introduced by the Senator on behalf of the Republican Caucus as a local government spot bill (Senator Nguyen is the Vice Chair of the Senate Gov & Finance Comm). CALAFCO will monitor.

[SB 422](#)

([Monning D](#)) Santa Clara Valley Open-Space Authority.

Current Text: Amended: 4/14/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Last Amend: 4/14/2015

Status: 4/23/2015-Read second time. Ordered to consent calendar.

Location: 4/23/2015-S. CONSENT CALENDAR

|           |        |        |       |           |        |        |       |             |          |        |           |
|-----------|--------|--------|-------|-----------|--------|--------|-------|-------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |             |          |        |           |

Calendar: 4/27/2015 #57 SENATE CONSENT CALENDAR-FIRST LEGISLATIVE DAY

Summary: Current law authorizes the Santa Clara County Open-Space Authority to take by eminent domain any property necessary or convenient to accomplish the purposes of the authority, with the exception of lands in active ranching, lands in agricultural production, and lands in timberland production zones that are not threatened by imminent conversion to developed uses. This bill would, in addition, authorize the authority to acquire, but not to take by eminent domain interests in real property that are outside of the authority's jurisdiction, necessary to the full exercise of its powers.

Position

Subject  
Special District Powers

[SB 485](#)

([Hernandez D](#)) County of Los Angeles: sanitation districts.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 4/24/2015-Set for hearing May 6.

Location: 4/16/2015-S. G. & F.

|           |        |        |       |           |        |        |       |             |          |        |           |
|-----------|--------|--------|-------|-----------|--------|--------|-------|-------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf. Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |             |          |        |           |

Calendar: 5/6/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

Summary: The County Sanitation District Act authorizes a sanitation district to acquire, construct, and complete certain works, property, or structures necessary or convenient for sewage collection, treatment, and disposal. This bill would authorize specified sanitation districts in the County of Los Angeles, to acquire, construct, operate, maintain, and furnish facilities for the diversion, management, and treatment of stormwater and dry weather runoff, the discharge of the water to the stormwater drainage system, and the beneficial use of the water. This bill contains other related provisions.

Position

Subject  
Special District Powers

(Wolk D) Public water systems: disadvantaged communities: drinking water standards.

Current Text: Amended: 4/16/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Last Amend: 4/16/2015

Status: 4/16/2015-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.Q.

Location: 4/16/2015-S. E.Q.

|           |        |        |       |           |        |        |       |                |          |        |           |
|-----------|--------|--------|-------|-----------|--------|--------|-------|----------------|----------|--------|-----------|
| Desk      | Policy | Fiscal | Floor | Desk      | Policy | Fiscal | Floor | Conf.<br>Conc. | Enrolled | Vetoed | Chaptered |
| 1st House |        |        |       | 2nd House |        |        |       |                |          |        |           |

Calendar: 4/29/2015 9 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair

Summary: Would require, by January 1, 2017, the State Water Resources Control Board to develop a report identifying specific funding and enforcement mechanisms necessary, to ensure that disadvantaged communities have water systems that are in compliance with state and federal drinking water standards. The bill would require the report to identify specific legislative and administrative actions necessary to bring disadvantaged communities into compliance with safe drinking water standards.

Position

Watch

Subject

Disadvantaged  
Communities,  
Water

**Total Tracked: 24**

## **Staff Report**

**May 13, 2015**

### **Agenda Item No. 9.d.**

#### **Commission Support of AB 851**

Existing law relative to related to disincorporation within the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 dates back to 1963. These provisions have not been utilized since 1972 (when Riverside LAFCO disincorporated the former City of Cabazon), and they contradict other provisions of state law (i.e., Proposition 218 relative to voter approval of new taxes).

For the last several months, a subcommittee of the CALAFCO Legislative Committee met to draft revisions to rewrite the statutes. The subcommittee worked to develop a consensus on the statutory changes needed to bring the 1963 statutes into compliance with 2015 statutory and constitutional requirements. In addition, the revisions propose to provide for defining what the Plan for Service needs to include and what information is required to be submitted so that all those concerned with the process will have the information needed to make a decision. A primary focus of the proposed changes is to insure that LAFCO has as much information about a city's finances (revenues, expenses, bonded indebtedness, pension obligations, etc.) as early in the process as is practical. In January of 2015, the CALAFCO Board of Directors approved the proposed changes and voted to sponsor the bill and seek an author to move it forward.

Assemblyman Chad Mayes agreed to sponsor the bill, which was introduced on February 26, 2015, as AB 851, a copy of which is attached. Also attached is a CALAFCO Fact Sheet concerning AB 851.

CALAFCO representatives, members of the Assemblyman's staff and representatives from CSAC, League of Cities, Urban Counties Caucus, CSDA and RCRC (Rural Counties Representatives of California) have been meeting as a stakeholders group to work through questions on the bill, address amendments, and to better understand the disincorporation process. As a result of this outreach, a series of amendments to AB 851 have been introduced. While questions still remain about final language for the bill (and amendments are being circulated), support "in concept" has been received from all the participants.

The Assembly Local Government Committee unanimously approved AB 851 at its April 23<sup>rd</sup> meeting. AB 851 will be considered at a future meeting of the Assembly Appropriations Committee.

Staff notes that CALAFCO and six LAFCOs (Imperial, Orange, San Bernardino, San Luis Obispo, San Mateo, and Sonoma) are on record in support of AB 851.



**Recommended Action:**

1. Authorize the Chair to send a letter to the Assembly Local Government Committee, the Assembly Appropriations Committee, and to the Legislature and Governor, if necessary, in support of AB 851.





*California*  
LEGISLATIVE INFORMATION

**AB-851 Local government: organization:  
disincorporations.(2015-2016)**

**Bill Start**

AMENDED IN ASSEMBLY APRIL 13, 2015

CALIFORNIA LEGISLATURE— 2015–2016 REGULAR SESSION

**ASSEMBLY BILL**

**No. 851**

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**Introduced by Assembly Member Mayes**

February 26, 2015

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An act to amend Sections 56658, 56885.5, and 57405 of, to add Sections 56653.1, 56770, 56804, 56813, 56814, ~~56815~~, *56816*, and 57426 to, and to repeal Sections 57401, 57402, 57404, 57409, 57410, 57416, ~~57417~~, 57423, and 57424 of, the Government Code, and to amend Section 99 of the Revenue and Taxation Code, relating to local government.

**LEGISLATIVE COUNSEL'S DIGEST**

AB 851, as amended, Mayes. Local government: organization: disincorporations.

(1) Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts. The act requires a local agency or school district that initiates proceedings for a change of local government organization or

reorganization, by submitting a resolution of application to a local agency formation commission, to also submit a plan for providing services within the affected territory, as specified.

This bill would, in the case of a disincorporation or reorganization that includes a disincorporation, require the plan for services to include specific provisions, including, among others, an enumeration and description of the services currently provided by the city proposed for ~~disincorporation and an outline of current retirement obligations, as specified.~~  
*disincorporation.*

(2) The act requires a petitioner or legislative body desiring to initiate proceedings to submit an application to the executive officer of the local agency formation commission, and requires the local agency formation commission, with regard to an application that includes an incorporation, to immediately notify all affected local agencies and any applicable state agency, as specified.

This bill would extend that requirement to an application that includes a disincorporation.

(3) Existing law prohibits the commission from approving or conditionally approving a proposal for an incorporation unless the commission finds, among other things, that the proposal is consistent with the intent of the act, the incorporation is consistent with the spheres of influence of affected local agencies, and the proposed city is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the ~~three~~ 3 fiscal years following incorporation.

This bill would additionally prohibit the commission from approving or conditionally approving a proposal that includes a disincorporation unless the commission finds, among other things, that the disincorporation is consistent with the intent of the act, the disincorporation will address necessary changes to spheres of influence of affected agencies, and the service responsibilities of the city proposed for disincorporation have been assigned, as specified.

(4) Existing law requires the executive officer of the commission to prepare a comprehensive fiscal analysis for any proposal that includes an incorporation, as specified.

This bill would additionally require the executive officer to prepare a comprehensive fiscal analysis for any proposal that includes a disincorporation, as specified.

(5) Existing law requires the commission to determine the amount of property tax revenue to be exchanged by the affected local agency for a proposal that includes the incorporation of a city, and sets forth the procedures to be followed in making that determination.

This bill would additionally require the commission to determine the amount of property tax revenue to be exchanged by the affected city and any successor agency or affected local agency for a proposal that includes a disincorporation of a city, and would set forth the procedures to be followed in making that determination.

The bill would additionally require the commission to determine, where the proposal includes the disincorporation of a city with the assignment of property tax revenues to a successor agency, the increase of the appropriations limit for the successor agency or agencies, if the successor agency or agencies are existing entities, or the appropriations limit for a new special district, as specified.



The bill would state the intent of the Legislature that a proposal that includes a disincorporation of a city result in a determination that the debt or contractual obligations and responsibilities of the city being disincorporated be the responsibility of the same territory for repayment. The bill would ~~require~~, *require the city being disincorporated to provide a written statement*, prior to issuance of a certificate for filing for a proposal that includes a disincorporation, *that includes* specified information relating to ~~the its~~ debts and contractual ~~obligations of the city being disincorporated~~. *obligations*.

(6) Existing law authorizes the commission, in approving a disincorporation of a city, the dissolution of a district, or the reorganization or consolidation of agencies that result in the dissolution of one or more districts or disincorporation of one or more cities, to make the approval conditional upon the agency being dissolved not approving any increase in compensation or benefits for specified officers of the agency, or appropriating, encumbering, expending, or otherwise obligating any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the commission, unless it first finds that an emergency exists.

This bill would modify this provision to authorize the commission to make the approval conditional upon a condition prohibiting the district that is being dissolved or the city that is being disincorporated from approving any increase in compensation or benefits for specified officers of the agency, or appropriating, encumbering, expending, or otherwise obligating any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the commission, unless it first finds that an emergency exists.

The act also authorizes the commission to require a single question appearing on the ballot upon issues of annexation and reorganization in any election at which the questions of annexation and district reorganization or incorporation and district reorganization are to be considered at the same time.

This bill would additionally apply these provisions to a disincorporation and district reorganization.

(7) Existing law requires every public officer of a city being disincorporated, prior to the effective date of the disincorporation, to turn the public property in his or her possession over to the board of supervisors.

This bill would repeal this provision.

(8) The act requires the commission, after ascertaining that the disincorporation has carried, to determine and certify in a written statement to the board of supervisors the indebtedness of the city, the amount of money in its treasury, and the amount of any tax levy or other obligation due the city that is unpaid or has not been collected.

This bill would repeal this provision.

(9) Existing law requires the board of supervisors to make specified determinations if the commission does not provide the board with a statement of those determinations.

This bill would repeal this provision.

(10) Existing law requires the tax collector to collect any tax that has been levied by a disincorporated city that remains uncollected when due and pay it into the county treasury.

This bill would provide that the tax collected and paid into the county treasury is on behalf of the designated successor agency or county to wind up affairs of the disincorporated city.

(11) Existing law requires the board of supervisors of a county to cause taxes to be levied and collected from within the territory formerly included within a disincorporated city, if there is not sufficient money in the treasury of a disincorporated city to the credit of the special fund to pay any city indebtedness as it becomes due. Existing law provides that any taxes levied pursuant to this provision are to be assessed, levied, and collected in the same manner and at the same time as other county taxes, and are additional taxes upon the property included within the territory of the disincorporated city.

This bill would repeal these provisions.

(12) Existing law requires the board of supervisors to levy a special tax upon all property within the disincorporated city if the revenues from specified public utilities are not sufficient for the administration, conduct, or improvement of the public utility. ~~Existing law requires all sums collected to be placed in a separate fund in the county treasury for the administration, conduct, and improvement of the public utility for which the tax is levied.~~

This bill would repeal ~~these provisions~~ *this provision*.

(13) Existing law requires the board of supervisors to annually, at the time other county taxes are levied and collected, to levy and collect a special tax on the remainder of the territory of a disincorporated city sufficient to pay the balance of the debt, and pay that sum to the city treasurer. Existing law requires the city treasurer to pay the bonded indebtedness as it becomes due with the proceeds of those taxes.

This bill would repeal these provisions.

(14) Existing law provides that on and after the effective date of a disincorporation, the territory of the disincorporated city, all inhabitants within the territory, and all persons formerly entitled to vote by reason of residing within the territory cease to be subject to the jurisdiction of the disincorporated city and have none of the rights or duties of inhabitants or voters of a city.

This bill would additionally provide that as of the effective date of a disincorporation, the general plan of the general plan of the disincorporated city that was in effect immediately prior to the effective date of the disincorporation constitutes the community plan of the county for the territory of the disincorporated city, the zoning ordinances of the disincorporation that were in effect immediately prior to the effective date of the disincorporation constitute the zoning ordinances of the county for that territory, and any conditional use permit or legal nonconforming use that was in place immediately prior to the effective date of the disincorporation remains in force pursuant to the community plan and zoning ordinances. The bill would provide that any use of land that was authorized under the general plan and zoning ordinances immediately prior to the effective date of the disincorporation continues to be ~~authorized, consistent with the requirements of that community plan and those zoning ordinances, for at least 10 years following the effective date of the disincorporation, as specified. The bill would additionally require the board of supervisors of the affected county to, within 90~~



~~days of the effective date of the disincorporation, adopt an expedited permit process relating to business, development, and health and safety permits for the territory of the disincorporated city, as specified.~~ *authorized for as long a period as may be required by the California Constitution or the United States Constitution.*

(15) Existing law requires a county auditor to adjust the allocation of property tax revenues for local agencies whose service area or service responsibility may be altered by specified jurisdictional changes.

This bill would include a city disincorporation and dissolved district in those jurisdictional changes. By increasing the duties of the county auditor, this bill would impose a state-mandated local program.

(16) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

## **Digest Key**

Vote: MAJORITY Appropriation: NO Fiscal Committee: YES Local Program: YES

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## **Bill Text**

# **THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

## **SECTION 1.**

Section 56653.1 is added to the Government Code, to read:

56653.1.

In the case of a disincorporation or reorganization that includes a disincorporation, the plan for services required by subdivision (a) of Section 56653 shall include the following:

(a) An enumeration and description of the services currently provided by the city proposed for disincorporation and an identification of the entity or entities proposed to assume responsibility for the services following completion of disincorporation.

(b) An enumeration and description of each service proposed to be ~~discontinued~~, *discontinued or transferred*, the current financing of the service or services, and any method of financing proposed by the successor agency or agencies.

(c) A delineation of any existing financing of services currently provided to include, but not be limited to, bonds, assessments, community facility district governance, general taxes, special taxes, other charges, and joint powers authorities or agreements.

(d) An indication of any current bankruptcy proceeding, including, but not limited to, status and exit plan.

(e) An indication of any current order *relating to services provided by the city proposed for disincorporation* by any agency, department, office, or other division of the state, ~~including~~ *including*, but not limited to, a cease and desist order or water prohibition order.

~~(f) An outline of current retirement obligations, actuarially determined unfunded liability, and any documentation related to termination of public retirement contract provisions.~~

~~(g)~~

~~(f)~~ A written ~~acknowledgment~~ *statement* from each ~~affected local agency proposed to assume services from the city proposed for disincorporation.~~ *entity identified pursuant to subdivision (a) that it has received a copy of the plan for services submitted pursuant to this section.*

~~(h)~~

~~(g)~~ Any other information that the executive officer may deem necessary to ~~fully consider the disincorporation proposal.~~ *evaluate the plan for services submitted.*

## SEC. 2.

Section 56658 of the Government Code is amended to read:

56658.

(a) Any petitioner or legislative body desiring to initiate proceedings shall submit an application to the executive officer of the principal county.

(b) (1) Immediately after receiving an application and before issuing a certificate of filing, the executive officer shall give mailed notice that the application has been received to each affected agency, the county committee on school district organization, and each school superintendent whose school district overlies the affected territory. The notice shall generally describe the proposal and the affected territory. The executive officer shall not be required to give notice pursuant to this subdivision if a local agency has already given notice pursuant to subdivision (c) of Section 56654.

(2) It is the intent of the Legislature that a proposal for incorporation or disincorporation shall be processed in a timely manner. With regard to an application that includes an incorporation or disincorporation, the executive officer shall immediately notify all affected local agencies and



any applicable state agencies by mail and request the affected agencies to submit the required data to the commission within a reasonable timeframe established by the executive officer. Each affected agency shall respond to the executive officer within 15 days acknowledging receipt of the request. Each affected local agency and the officers and departments thereof shall submit the required data to the executive officer within the timelines established by the executive officer. Each affected state agency and the officers and departments thereof shall submit the required data to the executive officer within the timelines agreed upon by the executive officer and the affected state departments.

(3) If a special district is, or as a result of a proposal will be, located in more than one county, the executive officer of the principal county shall immediately give the executive officer of each other affected county mailed notice that the application has been received. The notice shall generally describe the proposal and the affected territory.

(c) Except when a commission is the lead agency pursuant to Section 21067 of the Public Resources Code, the executive officer shall determine within 30 days of receiving an application whether the application is complete and acceptable for filing or whether the application is incomplete.

(d) The executive officer shall not accept an application for filing and issue a certificate of filing for at least 20 days after giving the mailed notice required by subdivision (b). The executive officer shall not be required to comply with this subdivision in the case of an application which meets the requirements of Section 56662 or in the case of an application for which a local agency has already given notice pursuant to subdivision (c) of Section 56654.

(e) If the appropriate fees have been paid, an application shall be deemed accepted for filing if no determination has been made by the executive officer within the 30-day period. An executive officer shall accept for filing, and file, any application submitted in the form prescribed by the commission and containing all of the information and data required pursuant to Section 56652.

(f) When an application is accepted for filing, the executive officer shall immediately issue a certificate of filing to the applicant. A certificate of filing shall be in the form prescribed by the executive officer and shall specify the date upon which the proposal shall be heard by the commission. From the date of issuance of a certificate of filing, or the date upon which an application is deemed to have been accepted, whichever is earlier, an application shall be deemed filed pursuant to this division.

(g) If an application is determined not to be complete, the executive officer shall immediately transmit that determination to the applicant specifying those parts of the application which are incomplete and the manner in which they can be made complete.

(h) Following the issuance of the certificate of filing, the executive officer shall proceed to set the proposal for hearing and give published notice thereof as provided in this part. The date of the hearing shall be not more than 90 days after issuance of the certificate of filing or after the application is deemed to have been accepted, whichever is earlier. Notwithstanding Section 56106, the date for conducting the hearing, as determined pursuant to this subdivision, is mandatory.

### **SEC. 3.**

Section 56770 is added to the Government Code, to read:

56770.

The commission shall not approve or conditionally approve any proposal that includes a disincorporation, unless, based on the entire record, the commission makes all of the following determinations:

(a) The proposed disincorporation is consistent with the intent of this ~~division, including, but not limited to, the policies of Sections 56001, 56300, 56301, and 56377~~ *division* to provide for a sustainable system for the delivery of services.

(b) The ~~proposal has reviewed the municipal~~ *commission has considered the* service reviews of *municipal services* and spheres of influence of the affected local agencies, and the disincorporation will address the necessary changes to those spheres of ~~influence~~ *influence, if any*.

(c) It has reviewed the comprehensive fiscal analysis prepared pursuant to Section 56804.

(d) It has reviewed the executive officer's report and recommendation prepared pursuant to Section 56665, and the oral or written testimony presented at its public hearing.

(e) The service responsibilities of the city proposed for disincorporation have been assigned through terms and conditions authorized by Sections 56885.5, 56886, and ~~57300, 57302,~~ and Chapter 5 (commencing with Section 57400) of Part ~~5, 5~~ *and the commission has approved a transition plan to provide those services, if one was requested by the executive officer.*

#### SEC. 4.

Section 56804 is added to the Government Code, to read:

56804.

For any proposal that includes a disincorporation, the executive officer shall prepare, or cause to be prepared by contract, a comprehensive fiscal analysis. This analysis shall become part of the report required pursuant to Section 56665. Data used for the analysis shall be from the most recent fiscal year for which data is available, preceding the issuances of the certificate of filing. When data requested by the executive officer in the notice to affected agencies, pursuant to paragraph (2) of subdivision (b) of Section 56658, is unavailable, the analysis shall document the source and methodology of the data used. The analysis shall review and document each of the following:

(a) The direct and indirect costs incurred by the city proposed for disincorporation for providing public services and facilities during the three fiscal years immediately preceding the submittal of the proposal for disincorporation.

(b) The ~~ability of~~ *sources of funding, if any, available to* the entities proposed to assume the obligations of the city being disincorporated and the related costs, including all actual direct and indirect costs, in provision of existing services.



(c) When determining costs, the executive officer shall also include all direct and indirect costs of any public services that are proposed to be transferred to state agencies for delivery.

(d) The revenues of the city being disincorporated during the three fiscal years immediately preceding the initiation of the disincorporation proposal.

(e) Any other information and analysis needed to make the findings required by Section 56770.

## SEC. 5.

Section 56813 is added to the Government Code, to read:

56813.

(a) If the proposal includes the disincorporation of a city, as defined in Section 56034, the commission shall determine the amount of property tax revenue to be exchanged by the affected city and any successor agency or affected local agency pursuant to this section.

(b) The commission shall notify the county auditor of the proposal, the affected local agencies to be extinguished, and the services proposed to be transferred to new jurisdictions, and identify for the auditor the changes to occur.

(c) If the proposal would not transfer all of the service responsibilities of the disincorporating city to the affected county or to a single affected agency, the commission and the county auditor shall do all of the following:

(1) The county auditor shall determine the proportion that the amount of property tax revenue derived by the city being disincorporated pursuant to subdivision (b) of Section 93 of the Revenue and Taxation Code bears to the total amount of revenue from all sources, available for general purposes, received by the city being disincorporated in the prior fiscal year and provide their response ~~in compliance with paragraph (2) of subdivision (b) of Section 56658.~~ *within 15 days of receiving notification from the commission pursuant to subdivision (b).* For purposes of making this determination and the determination required by paragraph (3), "total amount of revenue from all sources available for general purposes" means the total amount of revenue which the city being ~~disincorporating~~ *disincorporated* may use on a discretionary basis for any purpose and does not include any of the following:

(A) Revenue that, by ~~statute,~~ *statute or ordinance*, is required to be used for a specific purpose.

(B) Revenue from fees, charges, or assessments that are levied to specifically offset the cost of particular services and that do not exceed the cost reasonably borne in providing these services.

(C) Revenue received from the federal government that is required to be used for a specific purpose.

(2) The commission shall determine, based on information submitted by the city being disincorporated, an amount equal to the total net cost to that city during the prior fiscal year of providing those services that an affected agency will assume within the area subject to the proposal. For purposes of this paragraph, "total net cost" means the total direct and indirect costs that were funded by general purpose revenues of the city being disincorporated and excludes any

portion of the total cost that was funded by any revenues of that agency that are specified in subparagraphs (A), (B), and (C) of paragraph (1).

(3) For the services to be transferred to each affected local agency, the commission shall multiply the amount determined pursuant to paragraph (2) by the proportion determined pursuant to paragraph (1) to derive the amount of property tax revenue used to provide services by the city being disincorporated during the prior fiscal year within the area subject to the proposal. The county auditor shall adjust the amount so determined by the annual tax increment pursuant to the procedures set forth in Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code, to the fiscal year in which the affected agency receives its next allocation of property taxes.

(d) If the proposal for disincorporation would transfer all of the service responsibilities of the city proposed for disincorporation, other than those that are proposed to be discontinued, to a single successor agency, the commission shall request the auditor to determine the property tax revenue allocated to the city being disincorporated by tax rate area, or portion thereof, and transmit that information to the commission.

(e) The executive officer shall notify the auditor of the amount determined pursuant to subdivision (c) or (d), as the case may be, and, where applicable, the period of time within which and the procedure by which the transfer of property tax revenues will be effected pursuant to this section, at the time the executive officer records a certificate of completion pursuant to Section 57203 for any proposal described in subdivision (a), and the auditor shall transfer that amount to the affected agency or agencies that will assume the services as determined by the commission. Any property tax not transferred to an affected agency pursuant to subdivision (c) shall be transferred to the affected county.

(f) For purposes of this section, "prior fiscal year" means the most recent fiscal year preceding the issuance of the certificate of filing for which data is available on actual direct and indirect costs and revenues needed to perform the calculations required by this section.

(g) Any action brought by a city or district to contest any of the determinations of the county auditor or the commission with regard to the amount of property tax revenue to be exchanged by the affected local agencies pursuant to this section shall be commenced within three years of the effective date of the disincorporation.

## **SEC. 6.**

Section 56814 is added to the Government Code, to read:

**56814.**

If the proposal includes the disincorporation of a city, as defined in Section 56034, with the assignment of property tax revenues to a successor agency the commission shall make the following determinations, as appropriate:

(a) The increase of the appropriations limit for the successor agency, or agencies, if the successor agency or agencies is an existing entity.



(b) The appropriations limit for a new special district through a formation process as defined by Section 56810.

## SEC. 7.

Section ~~56815~~ 56816 is added to the Government Code, to read:

~~56815, 56816.~~

(a) It is the intent of the Legislature that any proposal that includes the disincorporation of a city result in a determination that the debt or contractual obligations and responsibilities of the city being disincorporated shall be the responsibility of that same territory for repayment. To ascertain this information, *the city shall provide a written statement that determines and certifies all of the following shall be provided* to the commission prior to the issuance of a certificate of filing for a disincorporation proposal, pursuant to Sections 56651 and 56658:

~~(1) The city shall provide a written statement that determines and certifies all of the following:~~

~~(A)~~

(1) The indebtedness of the city.

~~(B)~~

(2) The amount of money in the city's treasury.

~~(C)~~

(3) The amount of any tax levy or other obligation due the city that is unpaid or has not been collected.

~~(D) The amount of unfunded pension liability of all classes in a public retirement system, and the liability for other postemployment benefits.~~

~~(2) The county treasurer shall identify all taxes levied and uncollected.~~

~~(3) A written statement of all redevelopment successor agency designations and current balances and obligations.~~

~~(b) The commission shall not approve a proposal that includes a disincorporation unless it makes the determinations required by Section 56770.~~

(4) *The amount of current and future liabilities, both internal debt owed to other special or restricted funds or enterprise funds within the agency and external debt owed to other public agencies or outside lenders or that results from contractual obligations, which may include contracts for goods or services, retirement obligations, actuarially determined unfunded pension*

*liability of all classes in a public retirement system, including any documentation related to the termination of public retirement contract provisions, and the liability for other postemployment benefits. The information required by this paragraph shall include any associated revenue stream for financing that may be or has been committed to that liability, including employee contributions.*

*(b) The city shall provide a written statement identifying the successor agency to the city's former redevelopment agency, if any, pursuant to Section 34173 of the Health and Safety Code.*

## **SEC. 8.**

Section 56885.5 of the Government Code is amended to read:

**56885.5.**

(a) In any commission order giving approval to any change of organization or reorganization, the commission may make that approval conditional upon any of the following factors:

(1) Any of the conditions set forth in Section 56886.

(2) The initiation, conduct, or completion of proceedings for another change of organization or a reorganization.

(3) The approval or disapproval, with or without election, as may be provided by this division, of any resolution or ordinance ordering that change of organization or reorganization.

(4) With respect to any commission determination to approve the disincorporation of a city, the dissolution of a district, or the reorganization or consolidation of agencies that results in the dissolution of one or more districts or the disincorporation of one or more cities, a condition that prohibits a district that is being dissolved *or a city that is being disincorporated* from taking any of the following actions, unless it first finds that *either* an emergency situation exists as defined in Section 54956.5, or ~~if the governing the legislative~~ body of the successor agency or agencies, as designated by the ~~commission, approves:~~ *commission has taken action approving one or more of the following actions:*

(A) Approving any increase in compensation or benefits for members of the governing board, its officers, or the executive officer of the agency.

(B) Appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget at the time the commission approves the dissolution or disincorporation.

(b) If the commission so conditions its approval, the commission may order that any further action pursuant to this division be continued and held in abeyance for the period of time designated by the commission, not to exceed six months from the date of that conditional approval.

(c) The commission order may also provide that any election called upon any change of organization or reorganization shall be called, held, and conducted before, upon the same date as,

or after the date of any election to be called, held, and conducted upon any other change of organization or reorganization.

(d) The commission order may also provide that in any election at which the questions of annexation and district reorganization or, incorporation and district reorganization, or disincorporation and district reorganization are to be considered at the same time, there shall be a single question appearing on the ballot upon the issues of annexation and district reorganization or incorporation and district reorganization.

#### **SEC. 9.**

Section 57401 of the Government Code is repealed.

#### **SEC. 10.**

Section 57402 of the Government Code is repealed.

#### **SEC. 11.**

Section 57404 of the Government Code is repealed.

#### **SEC. 12.**

Section 57405 of the Government Code is amended to read:

57405.

If a tax has been levied by the disincorporated city and remains uncollected, the county tax collector shall collect it when due and pay it into the county treasury on behalf of the designated successor agency or county to wind up the affairs of the disincorporated city.

#### **SEC. 13.**

Section 57409 of the Government Code is repealed.

#### **SEC. 14.**

Section 57410 of the Government Code is repealed.

#### **SEC. 15.**

Section 57416 of the Government Code is repealed.

~~SEC. 16. Section 57417 of the Government Code is repealed.~~

~~SEC. 17.~~ **SEC. 16.**



Section 57423 of the Government Code is repealed.

~~SEC. 18.~~ SEC. 17.

Section 57424 of the Government Code is repealed.

~~SEC. 19.~~ SEC. 18.

Section 57426 is added to the Government Code, to read:

57426.

~~(a)~~ As of the effective date of the disincorporation, all of the following apply:

~~(1)~~

~~(a)~~ The general plan of the disincorporated city that was in effect immediately prior to the effective date of the disincorporation shall constitute the community plan of the county for the territory of the disincorporated ~~city~~. *city until the county updates the community plan.*

~~(2)~~

~~(b)~~ The zoning ordinances of the disincorporated city that were in effect immediately prior to the effective date of the disincorporation shall constitute the zoning ordinances of the county for that ~~territory~~. *territory until the county updates the zoning ordinances applicable to that territory.*

~~(3)~~

~~(c)~~ Any conditional use permit or legal nonconforming use that was in place immediately prior to the effective date of the disincorporation shall remain in force pursuant to the community plan and zoning ordinances.

~~(4)~~ Any

~~(d)~~ *Notwithstanding subdivisions (a), (b), or (c), any* use of land that was authorized under the general plan and zoning ordinances immediately prior to the effective date of the disincorporation shall continue to be authorized, ~~consistent with the requirements of that community plan and those zoning ordinances, for at least 10 years following the effective date of the disincorporation, any longer period for as long a period as may be~~ required by the California Constitution or United States ~~Constitution, or any longer period to the extent permitted by the general plan and zoning ordinances of the county applicable to that territory following that 10-year period.~~ *Constitution.*

~~(b)~~ The board of supervisors of the affected county shall, within 90 days of the effective date of disincorporation, adopt an expedited permit process relating to business, development, and health

~~and safety permits for the territory of the disincorporated city that is comparable to the permit process that existing in that city immediately preceding disincorporation.~~

~~SEC. 20.~~ SEC. 19.

Section 99 of the Revenue and Taxation Code is amended to read:

99.

(a) For the purposes of the computations required by this chapter:

(1) In the case of a jurisdictional change, other than a city incorporation, city disincorporation, or a formation of a district as defined in Section 2215, the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 96.1, or the annual tax increment determined pursuant to Section 96.5, for local agencies whose service area or service responsibility would be altered by the jurisdictional change, as determined pursuant to subdivision (b) or (c).

(2) In the case of a city incorporation or disincorporation, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56810 of the Government Code and the adjustments in tax revenues that may occur pursuant to Section 56815 of the Government Code to the newly formed city or district and shall make the adjustment as determined by Section 56810 *or 56813* in the allocation of property tax revenue determined pursuant to Section 96 or 96.1 for each local agency whose service area or service responsibilities would be altered by the incorporation.

(3) In the case of a formation of a district as defined in Section 2215, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56810 of the Government Code to the district and shall make the adjustment as determined by Section 56810, or for the disincorporated city or dissolved district as determined by Section 56813, in the allocation of property tax revenue determined pursuant to Section 96 or 96.1 for each local agency whose service area or service responsibilities would be altered by the change of organization.

(b) Upon the filing of an application or a resolution pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code), but prior to the issuance of a certificate of filing, the executive officer shall give notice of the filing to the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change.

(1) (A) The county assessor shall provide to the county auditor, within 30 days of the notice of filing, a report which identifies the assessed valuations for the territory subject to the jurisdictional change and the tax rate area or areas in which the territory exists.

(B) The auditor shall estimate the amount of property tax revenue generated within the territory that is the subject of the jurisdictional change during the current fiscal year.

(2) The auditor shall estimate what proportion of the property tax revenue determined pursuant to paragraph (1) is attributable to each local agency pursuant to Sections 96.1 and 96.5.



(3) Within 45 days of notice of the filing of an application or resolution, the auditor shall notify the governing body of each local agency whose service area or service responsibility will be altered by the jurisdictional change of the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to paragraph (2) that is subject to a negotiated exchange.

(4) Upon receipt of the estimates pursuant to paragraph (3), the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. Except as otherwise provided, this negotiation period shall not exceed 60 days. If a local agency involved in these negotiations notifies the other local agencies, the county auditor, and the local agency formation commission in writing of its desire to extend the negotiating period, the negotiating period shall be 90 days.

The exchange may be limited to an exchange of property tax revenues from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years.

(5) In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district or districts, negotiate any exchange of property tax revenues. Prior to entering into negotiation on behalf of a district for the exchange of property tax revenue, the board shall consult with the affected district. The consultation shall include, at a minimum, notification to each member and executive officer of the district board of the pending consultation and provision of adequate opportunity to comment on the negotiation.

(6) Notwithstanding any other provision of law, the executive officer shall not issue a certificate of filing pursuant to Section 56658 of the Government Code until the local agencies included in the property tax revenue exchange negotiation, within the negotiation period, present resolutions adopted by each such county and city whereby each county and city agrees to accept the exchange of property tax revenues.

(7) In the event that the commission modifies the proposal or its resolution of determination, any local agency whose service area or service responsibility would be altered by the proposed jurisdictional change may request, and the executive officer shall grant, 30 days for the affected agencies, pursuant to paragraph (4), to renegotiate an exchange of property tax revenues. Notwithstanding the time period specified in paragraph (4), if the resolutions required pursuant to paragraph (6) are not presented to the executive officer within the 30-day period, all proceedings of the jurisdictional change shall automatically be terminated.

(8) In the case of a jurisdictional change that consists of a city's qualified annexation of unincorporated territory, an exchange of property tax revenues between the city and the county shall be determined in accordance with subdivision (e) if that exchange of revenues is not otherwise determined pursuant to either of the following:

(A) Negotiations completed within the applicable period or periods as prescribed by this subdivision.

(B) A master property tax exchange agreement among those local agencies, as described in subdivision (d).



For purposes of this paragraph, a qualified annexation of unincorporated territory means an annexation, as so described, for which an application or a resolution was filed on or after January 1, 1998, and on or before January 1, 2015.

(9) No later than the date on which the certificate of completion of the jurisdictional change is recorded with the county recorder, the executive officer shall notify the auditor or auditors of the exchange of property tax revenues and the auditor or auditors shall make the appropriate adjustments as provided in subdivision (a).

(c) Whenever a jurisdictional change is not required to be reviewed and approved by a local agency formation commission, the local agencies whose service area or service responsibilities would be altered by the proposed change, shall give notice to the State Board of Equalization and the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change and request the auditor and assessor to make the determinations required pursuant to paragraphs (1) and (2) of subdivision (b). Upon notification by the auditor of the amount of, and allocation factors with respect to, property tax subject to exchange, the local agencies, pursuant to the provisions of paragraphs (4) and (6) of subdivision (b), shall determine the amount of property tax revenues to be exchanged between and among the local agencies. Notwithstanding any other provision of law, no such jurisdictional change shall become effective until each county and city included in these negotiations agrees, by resolution, to accept the negotiated exchange of property tax revenues. The exchange may be limited to an exchange of property tax revenue from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years. Upon the adoption of the resolutions required pursuant to this section, the adopting agencies shall notify the auditor who shall make the appropriate adjustments as provided in subdivision (a). Adjustments in property tax allocations made as the result of a city or library district withdrawing from a county free library system pursuant to Section 19116 of the Education Code shall be made pursuant to Section 19116 of the Education Code, and this subdivision shall not apply.

(d) With respect to adjustments in the allocation of property taxes pursuant to this section, a county and any local agency or agencies within the county may develop and adopt a master property tax transfer agreement. The agreement may be revised from time to time by the parties subject to the agreement.

(e) (1) An exchange of property tax revenues that is required by paragraph (8) of subdivision (b) to be determined pursuant to this subdivision shall be determined in accordance with all of the following:

(A) The city and the county shall mutually select a third-party consultant to perform a comprehensive, independent fiscal analysis, funded in equal portions by the city and the county, that specifies estimates of all tax revenues that will be derived from the annexed territory and the costs of city and county services with respect to the annexed territory. The analysis shall be completed within a period not to exceed 30 days, and shall be based upon the general plan or adopted plans and policies of the annexing city and the intended uses for the annexed territory.



If, upon the completion of the analysis period, no exchange of property tax revenues is agreed upon by the city and the county, subparagraph (B) shall apply.

(B) The city and the county shall mutually select a mediator, funded in equal portions by those agencies, to perform mediation for a period not to exceed 30 days. If, upon the completion of the mediation period, no exchange of property tax revenues is agreed upon by the city and the county, subparagraph (C) shall apply.

(C) The city and the county shall mutually select an arbitrator, funded in equal portions by those agencies, to conduct an advisory arbitration with the city and the county for a period not to exceed 30 days. At the conclusion of this arbitration period, the city and the county shall each present to the arbitrator its last and best offer with respect to the exchange of property tax revenues. The arbitrator shall select one of the offers and recommend that offer to the governing bodies of the city and the county. If the governing body of the city or the county rejects the recommended offer, it shall do so during a public hearing, and shall, at the conclusion of that hearing, make written findings of fact as to why the recommended offer was not accepted.

(2) Proceedings under this subdivision shall be concluded no more than 150 days after the auditor provides the notification pursuant to paragraph (3) of subdivision (b), unless one of the periods specified in this subdivision is extended by the mutual agreement of the city and the county. Notwithstanding any other provision of law, except for those conditions that are necessary to implement an exchange of property tax revenues determined pursuant to this subdivision, the local agency formation commission shall not impose any fiscal conditions upon a city's qualified annexation of unincorporated territory that is subject to this subdivision.

(f) Except as otherwise provided in subdivision (g), for the purpose of determining the amount of property tax to be allocated in the 1979–80 fiscal year and each fiscal year thereafter for those local agencies that were affected by a jurisdictional change which was filed with the State Board of Equalization after January 1, 1978, but on or before January 1, 1979. The local agencies shall determine by resolution the amount of property tax revenues to be exchanged between and among the affected agencies and notify the auditor of the determination.

(g) For the purpose of determining the amount of property tax to be allocated in the 1979–80 fiscal year and each fiscal year thereafter, for a city incorporation that was filed pursuant to Sections 54900 to 54904 after January 1, 1978, but on or before January 1, 1979, the amount of property tax revenue considered to have been received by the jurisdiction for the 1978–79 fiscal year shall be equal to two-thirds of the amount of property tax revenue projected in the final local agency formation commission staff report pertaining to the incorporation multiplied by the proportion that the total amount of property tax revenue received by all jurisdictions within the county for the 1978–79 fiscal year bears to the total amount of property tax revenue received by all jurisdictions within the county for the 1977–78 fiscal year. Except, however, in the event that the final commission report did not specify the amount of property tax revenue projected for that incorporation, the commission shall by October 10 determine pursuant to Section 54790.3 of the Government Code the amount of property tax to be transferred to the city.

The provisions of this subdivision shall also apply to the allocation of property taxes for the 1980–81 fiscal year and each fiscal year thereafter for incorporations approved by the voters in June 1979.



(h) For the purpose of the computations made pursuant to this section, in the case of a district formation that was filed pursuant to Sections 54900 to 54904, inclusive, of the Government Code after January 1, 1978, but before January 1, 1979, the amount of property tax to be allocated to the district for the 1979–80 fiscal year and each fiscal year thereafter shall be determined pursuant to Section 54790.3 of the Government Code.

(i) For the purposes of the computations required by this chapter, in the case of a jurisdictional change, other than a change requiring an adjustment by the auditor pursuant to subdivision (a), the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 96.1 or its predecessor section, or the annual tax increment determined pursuant to Section 96.5 or its predecessor section, for each local school district, community college district, or county superintendent of schools whose service area or service responsibility would be altered by the jurisdictional change, as determined as follows:

(1) The governing body of each district, county superintendent of schools, or county whose service areas or service responsibilities would be altered by the change shall determine the amount of property tax revenues to be exchanged between and among the affected jurisdictions. This determination shall be adopted by each affected jurisdiction by resolution. For the purpose of negotiation, the county auditor shall furnish the parties and the county board of education with an estimate of the property tax revenue subject to negotiation.

(2) In the event that the affected jurisdictions are unable to agree, within 60 days after the effective date of the jurisdictional change, and if all the jurisdictions are wholly within one county, the county board of education shall, by resolution, determine the amount of property tax revenue to be exchanged. If the jurisdictions are in more than one county, the State Board of Education shall, by resolution, within 60 days after the effective date of the jurisdictional change, determine the amount of property tax to be exchanged.

(3) Upon adoption of any resolution pursuant to this subdivision, the adopting jurisdictions or State Board of Education shall notify the county auditor who shall make the appropriate adjustments as provided in subdivision (a).

(j) For purposes of subdivision (i), the annexation by a community college district of territory within a county not previously served by a community college district is an alteration of service area. The community college district and the county shall negotiate the amount, if any, of property tax revenues to be exchanged. In these negotiations, there shall be taken into consideration the amount of revenue received from the timber yield tax and forest reserve receipts by the community college district in the area not previously served. In no event shall the property tax revenue to be exchanged exceed the amount of property tax revenue collected prior to the annexation for the purposes of paying tuition expenses of residents enrolled in the community college district, adjusted each year by the percentage change in population and the percentage change in the cost of living, or per capita personal income, whichever is lower, less the amount of revenue received by the community college district in the annexed area from the timber yield tax and forest reserve receipts.

(k) At any time after a jurisdictional change is effective, any of the local agencies party to the agreement to exchange property tax revenue may renegotiate the agreement with respect to the current fiscal year or subsequent fiscal years, subject to approval by all local agencies affected by the renegotiation.

~~SEC. 21.~~ **SEC. 20.**

If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.





### **SUMMARY:**

In February 2014, the CALAFCO Board of Directors established legislative priorities for the 2015 legislative year, as recommended by the CALAFCO Legislative Committee (the Committee). The top priority was to work on cleaning up the code sections relating to the disincorporation process. A sub-committee of the Committee was formed and worked diligently to identify the code sections needing updating. The proposal was vetted several times through the Committee and again by the Board. At the Board's direction, CALAFCO secured an author and submitted the proposal. The bill, AB 851, authored by Assemblymember Chad Mayes, updates sections to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the "Act") and Revenue & Taxation Code Section 99 related to disincorporations of cities.

### **PROBLEM STATEMENT AND BACKGROUND:**

Although the Act has been updated numerous times since the inception of LAFcos in 1963, the statutes addressing disincorporations have not been touched. It is necessary that the statutory provisions of the Act governing disincorporations be brought into compliance with provisions in the State Constitution and the mandates of Propositions 13 and 218.

Prior to the Act, seventeen cities have disincorporated, each of which ended up reincorporating at a later time. Since the inception of the Act, only two cities have disincorporated. The City of Hornitos was disincorporated via special legislation in 1973, and the City of Cabazon in 1972 went through the disincorporation process prescribed in the Act. A recent attempt at a legislative disincorporation of the City of Vernon failed. Much has changed in State law since 1972 when the statutes were last used and there is no current precedent for a disincorporation. As the agency that is required to process the proposal or application for disincorporation, LAFcos have a vested interest in ensuring the processes are up-to-date, fair and reasonable for all entities involved, legal, and consistent across codes.

### **WHAT ARE THE SIGNIFICANT CHANGES?**

Most significantly, this bill:

- Establishes the parameters and requirements for the submission of the Plan for Service for a disincorporation proposal which outlines existing services, the proponent's plan for the future of those services, and whether or not a bankruptcy proceeding has been undertaken.
- Establishes the responsibilities of LAFcos in preparing a Comprehensive Fiscal Analysis for disincorporations; the determination of the exchange of property tax revenues previously received by the proposed disincorporating City; and the determination of the transfer of debt to a successor agency or agencies. The proposed disincorporation statutory changes uses the incorporation provisions as a template to propose changes in the disincorporation process.
- Retains LAFcos existing authority to impose terms and conditions on a proposed disincorporation as well as the election requirements necessary for approval of disincorporation. The ultimate success or failure of a proposal for disincorporation remains with the registered voters of the City proposed to be disincorporated.
- Addresses planning, zoning and permitting for the territory being disincorporated.



- Repeals a number of provisions that are no longer constitutional and moves other provisions to more appropriate sections pertaining to the particular process required for disincorporating.

### **WHAT ELSE DOES THE BILL DO?**

The requirements outlined in the proposed disincorporation statutory changes retain the ability of a local LAFCo and applicable local agencies to tailor policies and procedures to address individual local circumstances.

### **WHAT DOESN'T THE BILL DO?**

- The bill is not intended to encourage the use of the disincorporation process, nor is it intended to encourage cities to consider this as an option to relieve their fiscal emergencies. The ultimate success or failure of a proposal for disincorporation would remain with the registered voters of the City proposed to be disincorporated.
- The bill does not change the process of taking the final decision to a vote of the people.
- The bill does not impose new taxes.
- The bill does not diminish any LAFCo authority.

### **IS CALAFCO WORKING WITH STAKEHOLDERS AND ARE THERE AMENDMENTS PENDING?**

Even before the bill's introduction, CALAFCO began working with key stakeholders, including the League of CA Cities (League), the California State Association of Counties (CSAC), California Special Districts Association (CSDA), Rural County Representatives of CA (RCRC), and the Urban County Caucus. CALAFCO has had a number of meetings with all of these groups (both collectively and individually) over the past several months.

As a result of this proactive outreach, a number of amendments have been agreed upon and incorporated into the bill. Most significantly:

- Revises proposed new Government Code Section 57426 to better align with the goals of counties once the territory being disincorporated has been reverted back to the county; and
- Revises proposed new Government Code Section 56816 to address the identification of a successor agency to the city's former redevelopment agency.

There are a series of other amendments, most of which are technical and non-substantive in nature. The amendments, agreed upon by CALAFCO and all stakeholders noted above, are being provided to Legislative Counsel for formal write-up on April 2. The amended bill is expected to be published prior to the expected hearing date of April 22, 2015.

CALAFCO will continue to work with stakeholders on additional amendments that may be required.

### **WHAT CAN MY LAFCO DO TO SUPPORT CALAFCO AND AB 851?**

CALAFCO is asking for all of our members to send in a Letter of Support for AB 851. A copy of CALAFCO's Letter of Support (and Sponsorship) is included with the Fact Sheet for your LAFCo to use as a template. We would appreciate it if your letter was received by April 16 in order to be included in the Assembly Local Government Committee consultant's bill analysis.

Questions or comments related to this process can be submitted to the CALAFCO Executive Director, Ms. Pamela Miller, at (916) 442-6536 or by email at [pmiller@calafco.org](mailto:pmiller@calafco.org).

**2014-2015  
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April 20, 2015

Los Angeles LAFCo  
80 South Lake Ave., Ste. 870  
Pasadena, CA 91101

Dear Chair and Los Angeles LAFCo Commission,

On behalf of the California Association of Local Agency Formation Commissions (CALAFCO), I would like to thank your commission for allowing your staff the opportunity to attend the CALAFCO 2015 annual staff workshop, held in Grass Valley April 15<sup>th</sup> through 17<sup>th</sup>.

We know how lean budgets and resources continue to be, and understand that prioritizing expenditures can be difficult. Ensuring your staff has access to ongoing professional development and specialized educational opportunities allows them the opportunity to better serve your commission and fulfill the mission of LAFCo. The sharing of information and resources among the LAFCo staff statewide serves to strengthen their network and creates opportunities for rich and value-added learning that is applied within each LAFCo.

We also want to acknowledge and thank Paul Novak who served as Chair of the Program Planning Committee this year. Under his leadership, the committee created a strong and diverse educational program. We also thank the rest of your staff, especially Patricia Wood and Alisha O'Brien for all of their efforts to ensure the workshop was a success.

Thank you again for supporting your staff's participation in the CALAFCO 2015 staff workshop. We truly appreciate your membership and value your involvement in CALAFCO.

Yours sincerely,



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Executive Director

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